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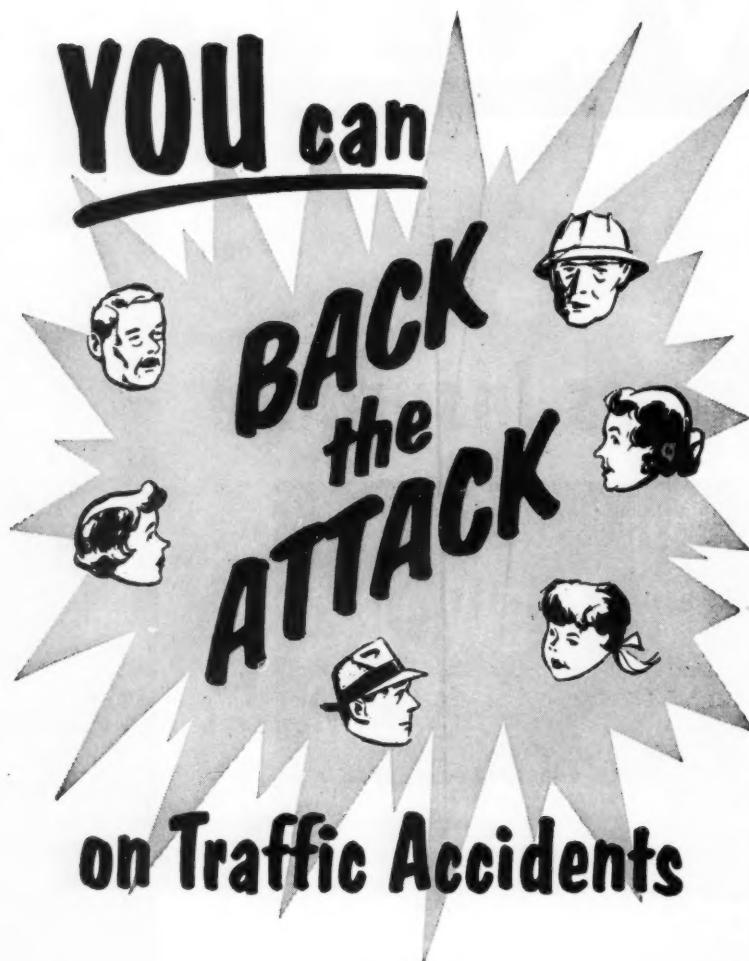


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The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

61st Year, No. 5
January 31, 1957

Memphis Is Winner of Fire Prevention Week Grand Award

Vancouver First in Canada, Other Winners Listed By Population Classes

The grand award for the best municipal Fire Prevention Week program of 1956 was won by Memphis in the contest sponsored by National Fire Protection Assn. Vancouver, B.C., placed first in Canada.

Other winners, in order, were: Phoenix, Louisville, Philadelphia and Chicago, Fort Worth, and Anchorage, Alaska.

By population classes, the winners were: I (500,000 or over), Philadelphia and Chicago; II (250,000 to 499,000), Memphis; III (100,000 to 249,000), Phoenix; IV (50,000 to 99,000), Portland, Me.; V (20,000 to 49,000), Anchorage, Alaska; VI (5,000 to 19,000), West Milwaukee, Wis.; VII (under 5,000), Seaford, Del.

First place in the industrial division went to Milan Arsenal, Proctor & Gamble Defense Corp., Milan, Tenn.

A total of 1,458 entries were received in the 1956 contest, 966 in the municipal division, 414 in the military division, 73 in the industrial division, and five special entries. They were submitted from the U.S., Canada, Alaska, Hawaii, and both U.S. and Canadian overseas military installations.

Mohaak Flight to Meet April 25

Mohaak Flight of Blue Goose, composed of the Kansas, Oklahoma and Heart of America ponds, will convene in Pittsburgh, Kan., April 25.

Highlights of the Week's News

Metcalf proposals on A&S in New York stir deep concern	Page 11
Broker loses suit on Massachusetts employees group life case	Page 11
Senate unit to eye finance insurer overcharges on PHD	Page 9
Agent's oversight does not nullify liability cover intended, court rules	Page 5
Discussion of tie-in advertising methods worth close attention of agency forces	Page 15
Predicts unions will turn to insurers in A&S bargaining	Page 15
Milwaukee Board has new name, plans to start road aid Feb. 1	Page 18
New developments in litigation on Texas graduated rate plan	Page 18
Long joins London group on coast, Hitt is named associate	Page 20
Moreland Report Suggests broad WC changes in New York	Page 3
Chicago Buckeye Club marks First decade	Page 4
Self insurers face \$3 million tap in DBL return	Page 2
Flood administrator names producers to advisory committee	Page 2
St. Paul F&M group has small '56 Profit	Page 2
New York acts to bar abuses in financed car insurance plans	Page 2

Inter-Regional Gets Out Multiperil E&O

In answer to the demands of producers and lending institutions a new multiperil errors and omissions policy has been recommended for use countrywide by Inter-Regional Insurance Conference. The new policy was developed over a period of time by EUA, and is designed to meet the needs of mortgagees and mortgage servicing agents in overcoming the problems created by the introduction of certain types of multiperil package contracts, especially in the dwelling field. Insurer's direct mortgagee interest as well as his interest as a servicing agent may be included in the new policy.

In addition to the fire and extended coverage perils now provided for by present forms, the new E&O extends all risk protection to the mortgagee including such personal liability coverage as provided by broad dwelling policies.

The policy contains a limit of liability together with an estimate of the average number of mortgage loans that will be in force during the terms of the policy. The form covers a single named insured only, and the names of servicing agents or other interests may not be added. However, servicing agents and other interests may secure separate policies. The new E&O may be written for a maximum of three years and is subject to term rules. The rate is geared to the estimated average number of mortgages owned or serviced by insured related to the limit of liability.

Mutual Alliance Files Amicus Brief in National Casualty Case

The right of the Federal Trade Commission to regulate insurance advertising is challenged in an amicus curiae brief filed today with the U. S. court of appeals at Cincinnati by American Mutual Insurance Alliance in the National Casualty case. A similar brief was filed last month with the court at New Orleans in the American Hospital & Life case.

FTC Files 2nd Brief in American H.&L. Case

WASHINGTON—Federal Trade Commission has filed a second brief in the American Hospital & Life case in which it attempts to answer the brief of American H. & L. and the amicus curiae briefs filed by interested organizations with the federal court of appeals at New Orleans.

Arguments were heard on Jan. 29. The new FTC brief does little more than restate the arguments advanced recently in the National Casualty case, in which FTC contended that Congress in Public Law 15 meant to make the Federal Trade Commission act applicable to interstate insurance business after the temporary moratorium had expired.

Baloise Fire of Basel, Switzerland, a member of the American Equity group, has been licensed in Oregon.

Forged FSIs Make Appearance Under N. Y. Compulsory

Forged FSI forms, which motorists in New York must present to get their automobile plates, already have appeared, and there is a brisk business in them, Ray Murphy, general counsel of Assn. of Casualty & Surety Companies, told the Maryland senate judiciary committee. The committee conducted a hearing on the compulsory automobile and unsatisfied judgment fund bills, which have strong support in the Maryland legislature.

New York motorists are paying up to \$7 for the phony FSI forms, Mr. Murphy testified. The forms may be stolen or forged. The form has to show the name of an insurer authorized to do business in the state, and since the insurer knows nothing about it, it cannot cancel, and the motorist can use the form until he has an accident and is caught, if he is caught then.

C. K. Oakley, executive secretary of Maryland Assn. of Insurance Agents, appeared in opposition to the compulsory bill. He emphasized that it would not be effective. Of about 70,000 Maryland auto accidents in 1955, 17% involved out of state cars, he testified.

J. C. Boyd Jr., representing American Mutual Alliance, told the committee compulsory is a logical extension of present laws requiring truckers, common carriers, and minors to carry liability insurance.

The UJF bill was supported by representatives of Baltimore Bar Assn.

The committee ran short of time, and Henry Moser of Allstate did not get a chance to speak.

Travelers Reaches New Premium Peak

Travelers group wrote \$858,531,000 in premiums during 1956, an 8% increase over 1955. Group A&S totaled \$177,403,000, an 18.9% gain, and multiple peril package policies accounted for \$8,171,000, a gain of 173.1%. Individual A&S was up 5.9% to \$26,399,000.

Boiler and machinery went up 20.5% to \$9,210,000, and fidelity and surety 15.5% to \$8,312,000.

Liability and property damage also scored an important gain, 10%, to \$49,278,000. Automobile was up 3.8% to \$195,873,000, workmen's compensation 5.4% to \$7,859,000, and fire and allied lines 4.3% to \$41,808,000. Burglary and glass fell off 5.3% to \$8,213,000, and inland and ocean marine were down 3.5% to \$8,853,000.

Late News Bulletins . . .

America Fore Plans Producer School

America Fore has established America Fore School of Insurance for agents and brokers, their employees and persons who intend to make insurance selling and servicing their life career. The first session starts in New York Sept. 16.

A unique feature of the new school, as pointed out in a joint statement by Frank A. Christensen, chairman, and J. Victor Herd, president, is the fellowship plan which provides for financial grants to cover the basic costs of attendance

N. Y. State Bar Panel Hears Discussion of "Creeping Catastrophes"

NEW YORK—Insurers and lawyers are not going to be dealing so much with the "big boom" of a nuclear en-



ergy catastrophe as with the "creeping catastrophe" of many claims made by persons who contend they have been injured in some way by the proximity of the effects of a nuclear reactor, James B. Donovan told the insurance law section of New York State Bar Assn. at its annual meeting here. Mr. Donovan, a member of the law firm of Watters & Donovan of New York and general counsel of Nuclear Energy Liability Insurance Association and Nuclear Property Insurance Association, was a member of a panel which dealt with the legal, insurance and other problems of nuclear reactor installations operated and designed for experimental testing or power purposes.

Wayne Van Orman, New York City attorney and chairman of the section, acted as moderator. Other participants were Prof. W. W. Havens of Columbia university; William F. Kennedy, counsel of the atomic products division of General Electric Co., and Manning W. Heard, 1st vice-president and general counsel of Hartford Accident.

Despite sub-zero weather over most of New York state, about 175 attended the meeting. William J. Herron of the Malone law firm of Herron, Lawler & Fischer, was elected chairman to succeed Mr. Van Orman; Leonard H. Amdustry of Oswego was elected vice-chairman, and Harry J. McCallion, assistant general counsel of New York Life, was elected secretary.

Once the tremendously big nuclear

(CONTINUED ON PAGE 16)

Self Insurers Face \$3 Million Tap in DBL Reserve Return

NEW YORK—Representatives of Self-Insurers Assn. and the joint committee on industrial and labor conditions of the state legislature have scheduled further conferences on the question of reserves under the disability benefits law. The law provides for payments of benefits to sick unemployed out of a special fund. This fund is replenished each year by assessment on insurers and self-insurers.

However, the insurers also created reserves of their own, now estimated to aggregate \$27 million. Last year the committee sponsored a bill to require insurers to deposit all of their reserves in the special fund.

But the self insurers pointed out that if insurers were required to do this, self insurers would have to make proportionate similar deposits. This, self insurers estimate, would cost them \$3 million.

The self insurers last year asked further study of the matter because of the impact on them, and the committee bill was withdrawn. What is to be done with insurer reserves still is being discussed. Efforts have been made for some time by several groups of employers and unions, notably in the hotel and restaurant field, to get the insurer reserves returned to these group insured, or at least a portion of them after the special fund is built to a certain amount.

Self-Insurers Assn. points out that the special fund, which started off at \$12 million, has never needed more than \$850,000 a year to replenish it.

Flood Administrator Names Producers to Advisory Committee

Fred J. Meistrell, flood indemnity administrator, has named four producers to a committee to advise him on problems of marketing federal flood indemnity contracts. Guy T. Warfield, president of Warfield, Dorsey Co. of Baltimore, will represent National Assn. of Casualty & Surety Agents; Archie Slawsby of Nashua, N. H., National Assn. of Insurance Agents; Hugh H. Murray Jr. of Associated Insurers, Raleigh, N. C., National Assn. of Mutual Insurance Agents, and Arthur E. Woody, senior vice-president of Alexander & Alexander of Baltimore, National Assn. of Insurance Brokers. Mr. Meistrell is chairman of the committee. Mr. Warfield is a member of the statutory advisory committee.

Chicago Fire Protection Engineers to Meet Feb. 5

Chicago chapter of Society of Fire Protection Engineers will hear E. B. Rumble, Automatic Sprinkler Corp., discuss foam-water systems at its annual business meeting and election Feb. 5. Motion pictures of foam-water systems installed at Eglin Air Force Base, Fla., and at the Boeing plant in Seattle will be shown.

New officers will be elected. Those nominated are: Morton E. Luber, Steel of Chicago, president; A. H. Gent, Illinois Inspection Bureau, 1st vice-president; Ralph B. Sullivan Jr., Standard Oil Co., 2nd vice-president; Charles A. Hawkins, Cook County Inspection Bureau, secretary-treasurer, and Clarence W. Price Sr., Marsh & McLennan, and Ray A. Sapp, American District Telegraph Co., executive committee.

St. Paul F.&M. Group Has Small '56 Profit

ST. PAUL—The consolidated report of St. Paul F&M. and St. Paul Mercury shows a total underwriting profit in 1956 of \$495,774. This compares with \$4,727,325 the year before, and the results are characterized by President A. B. Jackson as "one of the worst underwriting years the companies have had recently."

On a consolidated basis, the companies ended 1956 with assets of \$257,027,615, a gain of nearly \$13 million. Surplus to policyholders increased \$6,097,033 to \$105,795,309.

Net investment income of \$7,299,692 produced a net gain from operations of \$7,259,807, compared with \$9,432,312 the year before. Net premiums written of \$123,250,049 were up nearly \$8 million. Premiums earned were \$119,595,242, and the increase in unearned premium reserve was \$3,654,807. Losses incurred totalled \$61,372,992.

In his statement to stockholders, Mr. Jackson said:

"Over the past several years the profit margins of insurance companies have been narrowing so that the continued increase in expense ratios, plus the higher costs in individual losses of almost every nature have made it imperative for the companies to increase their rates. There is now an indication of this trend in all classes but it will be some time before the effect will be felt."

26 Named in Promotions, Appointments by RBH

Norman Freeman, a vice-president of Rollins Burdick Hunter Co. of Chicago, has been elected a director of the organization. He joined RBH in 1941.

In other elections and promotions, John E. Folkers Jr. and Thomas J. Ocasek were made vice-presidents. Added to the executive committee were George S. Burrows, Mr. Folkers, Walter I. Hanson, John L. Nelson, Mr. Ocasek and Gordon R. Parks.

New assistant vice-presidents are: Eugene W. Lersch, Joseph C. Henry, Robert N. Mannel, Karl R. Palmer and



Norman Freeman



T. J. Ocasek



John Folkers

N. Y. Acts to Bar Abuses in Financed Car Insurance Plans

NEW YORK—The New York department made public this week the steps it has taken to protect installments automobile buyers against:

1. Buying insurance coverages, such as A&S, that the finance company has no right to require buyers to carry.

2. Being led to believe they are compelled to buy the coverage from a finance company connected with the automobile dealer rather than being permitted to insure through their own insurance agents.

3. Being overcharged for collision insurance through misclassification or not being reclassified when status changes, as when a male motorist reaches age 25.

Insurance Superintendent Holz disclosed that up to this week the department's action had resulted in the return of \$1,013,926 to policyholders in New York state who had been overcharged for collision insurance.

Because the department found so much misclassification of collision risks it instructed all companies engaged in financed auto business to obtain necessary rating data from all policyholders. Thereafter the department instructed National Automobile Underwriters Assn. to change its manual procedure so that rating data would be furnished to insurers in each case. NAUA complied with this request and this procedure is being incorporated into the manual.

Insurer Enjoins Cancelled Agent from Giving Expirations to Other Agent

District court at Houston has enjoined an agent from soliciting new business by use of information allegedly obtained from an agent of another company.

George McWilliams of Houston and his sub-agents were told not to use records of policies expiring in Southwest American Fire & Casualty which the company claims were obtained from E. W. Harkey, a former agent of the company. Southwest American said Harkey's agency contract was cancelled last June because of delinquent balances, and after the cancellation Mr. Harkey provided Mr. McWilliams with records of his business with the insurer. Mr. Harkey and Mr. McWilliams were named defendants in the suit.

Sparks Club, an organization of mutual field men, is celebrating its 20th anniversary.

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AROUND THE CLOCK

Moreland Report Suggests Broad W C Changes in N. Y.

Moreland Commissioner Judge Joseph M. Callahan has submitted a report to Gov. Harriman on costs, operations and procedures under the New York workmen's compensation law.

The report makes extensive recommendations for improvements and emphasizes that "the savings produced will substantially offset the increased cost of the rise in maximum weekly benefits from \$36 to \$45," which Gov. Harriman has recommended to the legislature. The report strongly recommends recodification of the WC law which was last revised in 1922 and has since grown into a "hodge-podge" through multiple amendments each year.

Judge Callahan states that since his investigation began in 1953, three reductions aggregating \$106,000,000 have cut the cost of WC in New York by about 30%, and two of these have taken place since Gov. Harriman took office.

The investigation was twofold: Into administration of the WC law to determine causes for high cost; and into the rate making process to determine the proper basis for insurance premiums.

With respect to administration, the report points out the tendency to include as compensable disabilities deaths due in large part to degenerative diseases. It suggests the possibility of shifting part of the cost to other systems such as the disability benefits law. As an alternative, it recommends that the term "accidental injury" be more specifically defined.

The need for more effective work in the field of rehabilitation is emphasized. Of importance is development of procedures for early referral of injured workers to specialists who can determine whether rehabilitation is in order. Statistics show that rehabilitation, if commenced promptly, produces substantial economic and psychological benefits. The worker will be returned to productive employment sooner. Medical costs will be reduced because treatment is shortened.

The report recommends elimination of red tape in disposing of non-controversial cases by informal closing procedures that would not require attendance of the injured workman, and also for hearings at night in those cases which involve possible "schedule" awards to claimants who have returned to work. It also recommends a reduction in the number of forms to be filed.

The commission would also broaden powers of courts in review of cases to eliminate exaggerated claims.

Raising requirements for appointment of medical staff members and requiring them to keep constantly at pace with new developments in medicine is also proposed.

The present method of appointing impartial specialists to give expert opinion in particular cases would be abolished. Instead, a system of appointing part-time specialists to the board would be inaugurated, with the requirement that such specialists take no outside fees. These specialists, however, would be assured sufficient income to justify their accepting appointment. These specialists would be appointed by the chairman of the WC board from lists selected by the New York Academy of Medicine, State Med-

ical Society and deans of medical colleges. Rehabilitation of injured workmen would be aided by this system in Judge Callahan's opinion.

A recommendation is made for raising the standards for appointment of referees, giving them tenure of office and increasing their salaries.

The report recommends separation of administrative and judicial functions of the board, with review panels composed entirely of experienced lawyers including referees. This would result in setting up review panels of members especially trained in WC law.

Under this plan the lay members of the board would be continued in office to carry out the administrative functions and members of review panels would be given tenure of office.

Two safety proposals are made. The first calls for strict supervision by the state fund of its safety groups to eliminate practices leading to racketeering, and to eliminate use of such groups by some brokers merely to increase their income. The second, criticizing the work being done by some insurers, especially in small plants, suggests

(CONTINUED ON PAGE 23)

Afco Small Premium Budgeting Available on Pacific Coast

Afco, national insurance premium budgeting organization, has broadened its facilities in Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah and Washington by making available a small premium budgeting program on contracts with premiums totaling between \$100 and the minimum amounts previously applicable to larger premiums.

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Chicago Buckeye Club Marks First Decade

The 10th anniversary meeting Monday evening of Chicago Buckeye Club drew a record attendance of more than 80 members and guests, among them Arthur I. Vorys, the new Ohio superintendent, who was making his first appearance in that capacity before an insurance organization.

Chicago Buckeye Club is a group of displaced Ohio insurance men whose ties to this background have been enduring enough to produce an organization which has had a steady growth and has had annual meetings which have already become a tradition.

Eugene F. Gallagher, Chicago manager of Planet, the outgoing president, remarked that as time goes on the value of the contacts in Buckeye Club become more important.

A feature of the anniversary meeting was the appearance of all the past presidents, they being Harry L. Gridder, retired western manager of Factory Insurance Assn.; V. L. Montgomery, Chicago manager of North America; P. S. Beebe, western manager of Hartford Fire; Lyman M. Drake Jr. of the Critchell-Miller agency; Herman P. Winter, vice-president in the western department of America Fore; Thomas J. Ocasek, vice-president of Rollins Burdick Hunter Co.; James A. Davidson, assistant manager of FIA; E. S. Purcell, assistant manager of Hartford Fire, and J. H. Burlingame Jr., assistant general manager of Western Adjustment.

C. N. Mullican Jr., fire department manager of Fireman's Fund, was elected president of the Buckeye Club for 1957. First vice-president is Donald J. Neal, assistant manager of Atlas; 2nd vice-president, Charles D. Sokol, Cook county manager of Aetna Fire; secretary-treasurer (reelected), Dale G. Stentz, executive supervisor of Western Adjustment, and publicity chairman, Levering Cartwright, insurance journalist. Mr. Ocasek was chairman of the nominating committee.

The existence of the Buckeye Club has caused some wonderment among outsiders, Mr. Gallagher admitted in his remarks. The group meets only

once a year and offers no tangible benefits to its members; but the Ohio bonds are strong and the congeniality of the annual meeting, at which the Ohio exiles meet in the friendliest atmosphere, has overpowered all resistance.

In fact, Mr. Gallagher noted, there are those who year after year make every attempt to attend the meetings even though they are not members and have no qualifications.

He was seconded on this point by Mr. Montgomery, who questioned the good intentions of some of the guests who are invited annually. He made it clear that the Buckeyes cherish the prerogatives of membership and turn a cold shoulder on those not sympathetic with the club's activities and objectives.

The guest list included David Zeiser, Great American, president of Ohio Fire Underwriters Assn.; Joseph F. Schweer, secretary-treasurer of Cincinnati Underwriters Assn.; Carl J. Setzer, manager of Ohio Inspection Bureau; Louis A. Hellming, immediate past president of Cincinnati Underwriters Assn., and Mr. Vorys. Another guest was Walter Sundstrom, manager of FIA, whose presence this year as in the past produced some veiled remarks of remonstrance.

Mr. Hellming introduced Mr. Vorys, remarking that he is a grandson of the first Ohio superintendent. For seven years Mr. Vorys has been practicing law in Columbus with a firm which represents Assn. of Casualty & Surety

Top: Superintendent Arthur I. Vorys of Ohio (center) and his honor guard at the meeting this week at the Chicago Buckeye Club. On the left is Joseph F. Schweer, secretary-treasurer of the Cincinnati Underwriters Assn., and at right is Louis A. Hellming, immediate past president of Cincinnati Underwriters Assn.

Bottom: Charles Martell, marine manager of Fireman's Fund, with C. J. Lauer, local agent at Des Plaines, and C. N. Mullican Jr., fire manager of Fireman's Fund. Mr. Mullican is the new president of the Buckeye Club.



Two past presidents of the Buckeye Club, T. J. Ocasek of Rollins Burdick Hunter Co., and V. L. Montgomery of North America.

Top: Two of the founders and past presidents of Chicago Buckeye Club with a perennial guest at the annual meetings: From the left, P. S. Beebe, western manager of Hartford Fire; Harry L. Gridder, retired western manager of Factory Insurance Assn., and Walter Sundstrom, manager of FIA.

Bottom: Donald W. Valentine, Fred S. James & Co., at the Buckeye Club meeting with T. A. Strahle, Providence Washington; John S. Warren, General Accident, and Harold L. Bredberg of Bredberg Reports.



Companies. His insurance background, thus, is of a high calibre.

The new superintendent received a standing ovation. He is in his 30s and is handsome and personable. He said he has been in office only eight days, and comes to his job with no preconceived ideas of what he should be doing or what the business should be doing.

Mr. Vorys said he first heard of the Buckeye Club three weeks ago when it was intimated that he might become superintendent and he was invited by Messrs. Hellming and Schweer to visit the Chicago meeting. At that time he was sworn to secrecy about his new position, and could only say he would give it consideration, but he commented that he found his invitation was not so exclusive when he learned that it had been extended to several other candidates throughout the state.



Eugene F. Gallagher, Chicago manager of Planet and president of Chicago Buckeye Club, with his son, Martin J. Gallagher, who is with the pension department of Marsh & McLennan in Chicago, on hand at the Chicago Buckeye Club meeting.

A group of past presidents of Chicago Buckeye Club at the annual meeting this week: E. S. Purcell of Hartford Fire, Herman P. Winter of America Fore, and J. Homer Burlingame Jr. of Western Adjustment.



Mich. Agents Urged to Use Ads to Aid National Board, Oppose Compulsory

LANSING—Members of Michigan Assn. of Insurance Agents are receiving suggestions from their central office that they use newspaper advertising to oppose compulsory automobile insurance. It is anticipated that one or more compulsory bills will be offered at the current legislative session, probably with somewhat stronger backing than in the past.

Agents will be supplied with copy for a complete series of nine question and answer ads by W. O. Hildebrand, secretary-manager, although they may skeletonize the copy to utilize smaller space if they wish.

The members also are being assisted to tie into national radio and television advertising of the National Board promoting fuller property coverage with stock insurers. Detroit and Grand Rapids stations are being used in the campaign, and it is being suggested that agents in other cities utilize newspaper space or other local facilities.

Mich. Casualty Executives Elect Radius President

Casualty & Surety Executives Assn. of Michigan has elected Edward W. Radius Jr., Home, president; C. A. Keith, Fidelity & Deposit, vice-president, and Russell Davis, Hartford Accident, secretary and treasurer.

James B. Aldrich Retires

James B. Aldrich, state agent and manager of Loyalty group's Providence, R.I., office, retired Dec. 31 upon completing 30 years service. William M. Aschoff will succeed him.

Agent's Oversight Does Not Nullify Liability Cover Intended, Court Rules

Because an agent failed to make an endorsement change, which he previously had done on similar policies for the same insured, the federal district court at Davenport held the insurer liable for an injury award plus defense costs. The case was that of Hully vs Aluminum Co. of America, 8 CCH (fire and casualty) 1163.

Hully, a contractor, and Eichleay Corp., another contracting firm, were employed under separate contracts by Alcoa to construct a manufacturing plant. The contracts were prepared by Alcoa and designated it as the owner. The contract contained provisions with respect to indemnity and insurance which required the contractor to hold Alcoa harmless for any liability arising in any manner connected with the work—whether injury, loss or damage were caused by the negligence of the contractor, a subcontractor, or the owner.

Hully asked the agent, Kenneth M. May of Des Moines, for liability coverage. The contractor furnished the agent with a detailed statement concerning the insurance requirements, together with copies of the indemnity and insurance provisions desired by Alcoa. The insurer, Columbia Casualty, a defendant in the present action, issued through the agent an M&C policy naming Alcoa as insured and a comprehensive general liability policy naming Hully as insured.

The M&C policy was designed to cover operations performed by independent contractors and omissions of insured in connection with work performed for Hully by independent contractors and required the insurer to defend any suit for injuries against insured, etc. The comprehensive policy was an amended renewal of an existing policy. However, it contained an exclusion of liability assumed by insured under any contract or agreement not defined in the contract.

The agent failed to attach the necessary endorsement regarding the Alcoa contract, so that that contractual liability was not specified.

An employee of the Hully firm, Barnes, was injured on the job by a crane negligently operated by an Alcoa employee in the transportation of an Eichleay employee to work. Barnes sued Alcoa for damages for injuries, which cost Alcoa \$26,599. This amount it proposed to deduct from a balance that it owed to the Hully firm, but Hully insisted on full payment and sued Alcoa. Hully, Eichleay Corp., and Columbia Casualty were notified of Barnes' action, but none of them recognized any obligation to Alcoa.

The court held that the claims, counter claims, and cross claims of the parties depended upon a determination of the ultimate liability for loss in the Barnes suit. The key issue was whether an insurer issuing liability insurance to both employer and

an independent contractor could rely on an exclusion in the contractor's policy exempting it from liability where a contractual indemnity running from the contractor to the employer was not covered because of the mistake or negligence of the insurer's agent.

The court ruled that the insurer was precluded by estoppel from taking advantage of the exclusion in the con-

tractor's policy, and that the company was liable in any event upon the employer's policy. Reformation of the contractor's policy was not a proper remedy since there was no mutual intent or actual agreement of the parties to secure coverage from the indemnity liability risk, the court stated. The parties did not understand or were unaware of the exclusion regarding this risk until after the decision of the Barnes claim. A second theory, waiver, was inapplicable since there was no unilateral intent imputable to

(CONTINUED ON PAGE 19)

M. S. Markel Retires at N. Y. Brown Is Named Successor

Maxwell S. Markel, resident vice-president of Markel Service of New York, has retired after 25 years with the company. A brother of Samuel A. Markel, founder of American Fidelity & Casualty and Markel Service, he joined the company in 1930. He is succeeded by Matthew Brown, special field representative at Atlanta, who has been with the company since 1936.



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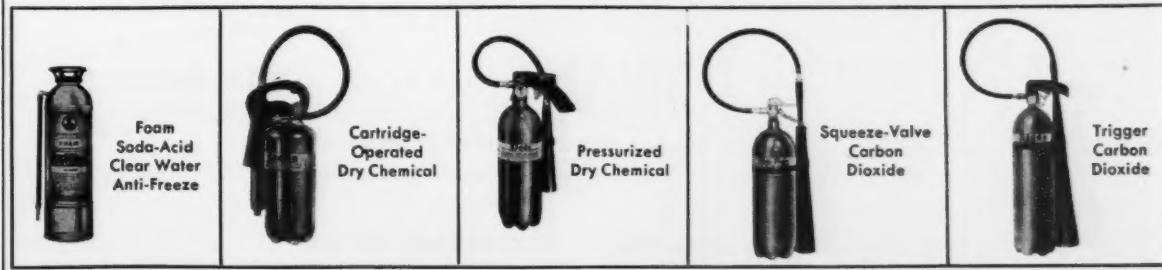
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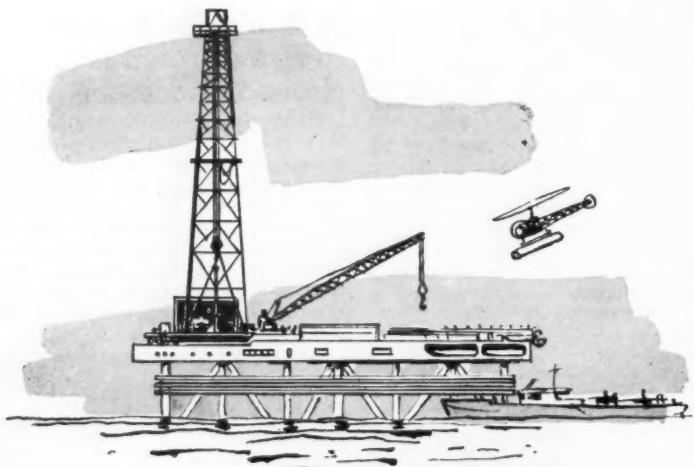
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Tri State Agents to Meet Feb. 28

Tri State Mutual Agents Assn. will hold its annual convention in Harrisburg, Pa., Feb. 28-Mar. 2. Speakers will be Ralph Williams of Kansas City, president of National Assn. of Mutual Insurance Agents; Prof. Amos E. Neyhart, administrative head of Pennsylvania State university's institute of public safety; M. L. Landis, counsel of Central Mutual; William N. Woodward, editor of *The Standard*, and Jennings Randolph of Capitol Airlines.

Tex. Governor Makes Four Insurance Suggestions

AUSTIN—Four steps to tighten state regulation of insurance were urged by Gov. Price Daniel in his first formal message to the 1957 legislature, in which he commented on the "great improvements" made in 1955 but added that the job "is not finished."

Specifically Gov. Daniel recommended that "either the board of insurance commissioners should be reorganized or its present operations improved and strengthened. . . . There should be strict regulation of all corporations endowed with the public interest, especially insurance, securities, loan and investment companies."

His other recommendations included the three proposals suggested last month by the legislative council: Appropriation of funds to employ sufficient examiners; strengthening of panel statutes in relation to fraudulent practices in insurance and securities, and the repeal of the law permitting operation of a joint trust, surety and fire insurance company.

Gov. Daniel also urged an increase in maximum benefits under the workers' compensation law in order to bring the state more in line with similar benefits in other states.

Syracuse Casualty & Surety Club Names Brown President

Casualty & Surety Club of Syracuse has elected Baxter C. Brown, Fidelity & Deposit, president; Floyd L. Holdridge, Loyalty group, vice-president; Matthew A. Donner Jr., Centennial, 2d vice-president; Walter D. Bateman, Continental Casualty, treasurer, and Gerald Heidler, Maryland Casualty, secretary.

Sixteen past presidents received certificates of appreciation.

Mass. Rules on PHD

Commissioner Humphreys of Massachusetts is perfecting rules on writing financed automobile insurance, which are designed to prevent overcharges by insurers. One feature of his program will be a continuing investigation of such insurance to prevent a recurrence of overcharging and rebating. He has held a hearing on his proposed rules and will continue to accept briefs on the subject until Feb. 1.

Home has elected Walter F. Pease a director. He is a partner in the New York law firm of Shearman & Sterling & Wright.

Great American Names Ganz to Chicago Post

Great American group has named Eric A. Ganz manager of its Cook county department in Chicago.

Mr. Ganz joined the group in 1938, was transferred to the west coast in 1947, and was appointed special agent in the Los Angeles area in 1948.

Eisenhower Asks for Atomic Indemnity by U. S.

President Eisenhower in his budget message stated that legislation will again be proposed this year to authorize the government to supplement commercially available insurance against liability arising from possible nuclear accidents. The bill which would have put the government in the business of writing "excess" liability on commercial reactors lost in the last session of Congress.

The President also urged enactment of the necessary statutory basis for expansion and improvement of voluntary health insurance plans under which small insurance companies and non profit associations to pool their resources and experience.

Mr. Eisenhower asked for \$100 million to get the flood indemnity program under way plus \$4 million for administration expenses of Federal Flood Indemnity Administration for 1957. He asked again for legislation to require the registration of employee pension and welfare funds.

Phoenix, Eng., Names Three to Claims Posts

Phoenix of London group has appointed George W. Krug to succeed Lawrence E. Chapman as regional claim superintendent of the western department at Chicago, and Anthony Chipps to succeed Herbert J. Kearsley as regional claim superintendent of the New England department at Boston. Victor A. Rouse was promoted to assistant regional claim superintendent for the western department at Chicago.

Mr. Krug has represented the group at Chicago since his appointment as assistant regional claim superintendent in 1939. Mr. Chipps was assistant in New England for 10 years. Mr. Rouse has been with the group for more than 16 years.

Court Rules vs RR in \$96,000 Injury Award

The U. S. Supreme Court has refused to reconsider the award of \$96,000 damages paid to Raymond G. Cahill for injuries he sustained in an accident while working as a brakeman for New Haven Railroad. Acting on petition of the company for the third time, the court rejected its contention that the trial judge erred in the case by admitting evidence of prior accidents which occurred at the New Haven crossing where Mr. Cahill was injured.

Insurance Members of Flood Staff Are Named

James B. Clarke Jr., former administrative assistant of Assn. of Casualty & Surety Companies in Washington, D.C., and Richard E. Kirkby of the Connecticut agency, Meriden, Conn., have been appointed to the staff of Federal Flood Indemnity Administration. They will represent insurance in the new industry and government relations division.

Larson Succeeds Jamar in Minn.

Employers Mutual Casualty of Des Moines has appointed James T. Larson manager of its Minnesota branch office at Minneapolis to succeed M. H. Jamar, retired.

Mr. Larson has been office manager and head underwriter in Minnesota since 1953.

Travelers Indemnity Names Five Managers in East Coast Areas

Travelers Indemnity has appointed Ward A. Crane casualty, fidelity and surety manager at Miami and four fire and marine managers—Elliott L. Beasley at Miami, Frank E. Walton at Jacksonville, H. Martin Tenney at Syracuse, and Kenneth W. Soule at Albany.

Mr. Crane has been with the company since 1947, and assistant manager of casualty, fidelity and surety in Miami since 1953. Mr. Beasley joined Travelers Indemnity in 1926, was made assistant manager at Dallas in 1937, manager in 1940, and manager at Jacksonville in 1952. Formerly assistant fire and marine manager at Orlando, Fla., Mr. Walton has been with the company since 1952. Mr. Tenney was formerly an assistant manager at Rochester, Philadelphia, and Camden. He joined Travelers Indemnity in 1946. Mr. Soule has been with the company since 1949, was named assistant manager at Syracuse in 1955.

New York Buyers Hear Tax Expert

Paul D. Seghers, New York attorney and CPA, was guest speaker at the January meeting of American Society of Insurance Management. He discussed federal income tax problems in connection with fire and casualty insurance.

Insurance Brokers Exchange of California at its annual meeting Feb. 6 in San Francisco will hear a talk by Melvin M. Belli, prominent NACCA, on "Ready for the Plaintiffs."

Continental Casualty Opens Branch Office in Grand Rapids

Continental Casualty has opened a branch office at Grand Rapids, at 716 Keeler building.

Robert Pierce, branch manager, and Claude Budzil, A&S manager, head a staff of 16 to service western Michigan. The area was formerly handled by Continental's Detroit office.

Withdraws from Auto in Southern Illinois

Transit Casualty of St. Louis has discontinued writing automobile business in East St. Louis and in other portions of St. Clair and Madison counties, Ill., because of bad experience. Some policies were cancelled immediately and others will not be renewed. About 1,000 policyholders will be affected.

Vice-president F. A. Brewer said he was unable to account for the high accident rate in the area in the past two years, and that the company decided it could not write enough good business to offset the losses on what is on the books.

Transit Casualty appears to be the only company withdrawing from the area, although Mr. Brewer said he had heard other insurers were taking similar action. This withdrawal will not affect coverage on busses.

Simpson to North La. for North British

Jack K. Simpson has been appointed special agent by North British in northern Louisiana. He succeeds L. A. Smith Jr., resigned, and will make his headquarters in the field office at 602 Giddens-Lane building, Shreveport. He was formerly in the southern department at Atlanta.

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Three Withdraw in
N.A. Deviation in N.C.

Fresh developments in North America's application for a fire and extended coverage deviation in North Carolina indicate that no decision can be expected from Commissioner Gold before the last of February.

Three companies which had joined North Carolina Insurance Rating Bureau in opposing the application have withdrawn as parties to the proceeding, leaving the bureau as the principal opponent. These companies are American Equitable, Niagara Fire and Home.

The commissioner said that North America and the rating bureau have agreed on what now constitutes the evidence in the case. However, he has allowed all parties till Feb. 1 to file briefs and an additional 10 days for rebuttals.

North America asked for a 10% deviation here as in other jurisdictions. Earlier, Mr. Gold said he would approve such a deviation, provided it was frozen to the manual rate in effect Sept. 1, the beginning of the deviation year. The company objected and Mr. Gold indicated he would approve a flexible deviation of 5%. North America said it could justify at least 8%.

North America has filed a new exhibit showing its expected underwriting profit if the deviation is set at any point from 5 to 10%. On a 10% deviation, the company told the commissioner, it could expect a profit of 3.7%; on a 9% deviation, a profit of 4.3%; on an 8% deviation, 4.9%; on a 7% deviation 5.4%; on a 6% deviation, 6%; and on a 5% deviation, 6.6%.

North America wants the deviation applied to homeowners as well as fire and EC.

Minnesota CPCUs Hear
Talk on Excess Insurance

At its January meeting, Minnesota chapter of CPCU heard Eino N. Krapu, Northern States general agency of St. Paul discuss excess insurance by non-admitted companies in Minnesota.

The chapter will hold its annual all industry luncheon in Minneapolis Feb. 5. Thomas C. Morrill, vice-president of State Farm Mutual Auto, will speak on "The Role of Competition," and seven new members of the chapter will receive their CPCU designation.

Pontiac (Mich.) Agents Elect

Pontiac (Mich.) Assn. of Insurance Agents has elected Carleton C. Patterson Jr. president; Noyce W. Strait Jr. vice-president, and Frank A. Anderson, secretary-treasurer. Robert R. Lazelle was named to the executive committee.

Hardwick Promoted to
U.S.F.&G. Home Office

Carlton S. Hardwick is the new executive assistant in the claim department of U.S.F.&G. in the home office. Promoted from the post of general superintendent of claims in New York, he was honored with a testimonial dinner and presentation at the Drug & Chemical Club in New York. On behalf of the more than 160 employees who attended, William F. O'Donnell presented him with a tape recorder, given in recognition of his promotion and service.

Armed Forces Auto
Exclusion Is Upheld

U. S. Supreme Court has denied a petition for a writ of certiorari in a case involving the legality of the armed forces exclusion endorsement to an auto liability policy. The action was that of John M. Petrowski and others vs Hawkeye-Security. The high court thus upholds the judgment of the seventh court of appeals, which had reversed the district court.

The endorsement specifically stated that the policy was invalid while the automobile was being operated by a member of the armed forces other than named insured.

The petitioners contended that the endorsement was contrary to public policy expressed in the soldiers and sailors civil relief act, the statutes of Wisconsin where the accident occurred, and the order of the Iowa insurance commissioner where the policy was written.

American Surety Active
in Pa. Traffic Safety

Representatives of American Surety were among those cited by Gov. Leader of Pennsylvania for their participation in state safety education clinics which resulted in the awarding of certificates of merit to 13 state departments for outstanding achievement in traffic safety.

The awards are based on comparative safe driving accomplishment, and are contributed by American Surety, which writes the blanket liability on state owned motor vehicles.

The insurance department was among those honored.

Standard Accident Engineers Meet

Standard Accident and Planet are conducting a conference for 25 safety engineers of the companies in Detroit. New developments in engineering and accident prevention techniques are being discussed.

W. E. Gruber, manager of the engineering department, is in charge of the program. The conference was opened by an address by L. K. Kirk, president.

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Committee Issues IM Interpretation

The committee on interpretation has answered inquiries on personal property, church pews and organs, and student textbooks.

Interpretation 103 holds that a personal property floater may be written to cover consequential loss due to spoilage of property in food lockers caused by mechanical breakdown and to cover loss of securities, numismatic and philatelic property, tickets, passports and documents up to \$500. Loss due to forgery or alteration of personal checks up to \$500 and counterfeit money up to \$50, however, may not be covered by the PPF.

Interpretation 104 defines church organs as musical instruments within the contemplation of the musical instrument floater, and a rare and antique church pew as a work of fine art within the scope of inland marine, but ordinary church pews do not classify as inland marine.

Interpretation 105 says that the insurance of text books issued to students may be classified as IM when the books are assigned to students, are in their possession, or are stored in the school during vacation periods.

Several Bills in Tennessee, Agents Have Traffic Plan

A service of process bill has been introduced in the Tennessee legislature. Another bill would extend application of the countersignature law to casualty. It now applies to fire and marine policies.

One amendment proposed to the law governing subrogation actions would allow payment of one-third of the recovery to the attorney for employer or insurer.

Insurers of Tennessee at an executive committee meeting in Nashville proposed adoption of a motor vehicle inspection law to curb highway accidents. Agents also proposed driver tests for license renewal, stricter traffic law enforcement, stricter application of the financial responsibility law and expansion of student driver training to every high school in the state.

William H. Rauch has joined Allstate as advertising manager of the east central zone. He has been with Goodyear Tire & Rubber Co.

Senate Unit to Eye Finance Insurer Overcharges on PHD

WASHINGTON—Prospect is that the Monroney subcommittee on auto marketing practices of the Senate committee on interstate and foreign commerce will be reconstituted late this month and begin hearings about mid-February on allegations of National Better Business Bureau that certain insurers affiliated with auto finance companies have been overcharging car purchasers on collision coverage. The committee's authority expires Jan. 31.

The committee staff, David Busby, subcommittee counsel, said, is gathering background material in preparation for expected hearings. He says the committee wants to know how much progress has been made in the refund of excessive premiums to policyholders who have been overcharged due to the misclassification. Some companies already have made such refunds, he said. It has been estimated these overcharges total \$25 million, according to Mr. Busby.

The subcommittee, according to present prospect, will be reconstituted to consist of Senators Monroney of Oklahoma, Thurmond of South Carolina, and Payne of Maine.

Committee sources say there is no occasion for certain insurance interests becoming alarmed, as reported, for fear that the committee's investigation presents the possibility of further entry of government in the insurance business. It is pointed out that the committee's jurisdiction is limited to automobiles and their marketing. Its inquiry is said to be directed much more towards finance companies than insurance.

Last September the National Better Business Bureau published a folder dealing with collision overcharges and naming insurers that were misclassifying collision risks, placing them in class 2 rather than in the lower rated class 1.

Green Light for Attorneys

A bill has been introduced in the New York legislature which would require the insurance superintendent to issue a broker's license to an attorney who has had 20 years of practice, without examination or other requirements.



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AUTOMOBILE - FIRE - CASUALTY - INLAND MARINE - BONDS

Bonner Heads N. Y.
Marine Board

William A. Bonner of Chubb & Son was elected president of Board of Underwriters (marine) of New York at the annual meeting. He is a past president of Assn. of Marine Underwriters, and succeeds Frank B. Zeller, U. S. marine manager and vice-president of Royal-Globe group, who headed the board in 1955 and 1956.

Vice-president Owen E. Barker of Appleton & Cox, President George Inselman of Marine Office of America, and Carl E. McDowell were elected vice-presidents. Miles F. York, president of Atlantic group, is treasurer. Edward R. King and Anna L. Herrick continue as secretary and assistant secretary, respectively.

Preferred Risk Mutual
Elects Plymat President

DES MOINES—William N. Plymat, Des Moines attorney, has been elected president of Preferred Risk Mutual to succeed Russell Ostrus, who was elected chairman.

Bernard Mercer was reelected vice-president and J. J. Mallon was named secretary-treasurer. Mr. Plymat previously was treasurer and Mr. Mallon secretary.

Preferred Risk was involved last year in a controversy among the officers. The Rev. Sam Morris of San Antonio, Tex., was finally ousted as president and Mr. Ostrus was named to succeed him.

Hartford A.&I. Names
Petrunk in Buffalo

Hartford Accident has appointed Louis F. Petrunk district engineer in charge of operations directed from its Buffalo office. He joined the company as an engineer at Minneapolis in 1922, subsequently serving in St. Louis, Chicago, Albany, Philadelphia, Atlanta, and New England before transferring to Buffalo in 1929. He will supervise field engineers in nine northwest New York counties.

Fireman's Fund Names
Finnie to Post in East

Fireman's Fund group has appointed William J. Finnie assistant fire manager of its eastern department to assist David J. Sherwood, fire manager.

Mr. Finnie has been fire manager of the group's Baltimore office, supervising operations in Maryland, Delaware and a part of West Virginia.

N. Y. Agents Look into
Commission Proposal

At a meeting in Syracuse, directors of New York State Assn. of Insurance Agents studied a report of the New York Fire Insurance Rating Organization-North America rate deviation hearing in connection with which there have been discussions of agent earnings and the filing of rates based on variable scales of commission. As a result, the executive committee of the association called another meeting for this week in New York to determine a course of action.

Connecticut 1752 Club Holds
Commercial Block Panel

A forum on commercial property coverage was conducted at the January meeting of Mutual Insurance Agents Assn. of Connecticut, in Waterbury. Special Agent Paul Harris of Berkshire Mutual Fire discussed the new coverage, Special Agent Donald Davis of Middlesex Mutual spoke on the new office contents form. Special Agent Raymond Simon Jr. of Pawtucket Mutual and Special Agent Edward Lohnes of Holyoke Mutual were also on the program.

Wis. Casualty Managers
Assn. Elects L. A. Buck

Casualty Managers Assn. of Wisconsin has elected L. A. Buck, New Amsterdam Casualty, president; R. W. Blakesley, Home Indemnity, vice-president; H. M. Richter, Aetna Casualty, treasurer, and T. W. Roberts, American Surety, secretary.

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Metcalf Proposals on A&S in New York Stir Deep Concern

NEW YORK—The weirdly unrealistic proposals on medical, hospital and surgical coverages made by the Metcalf committee of the New York legislature are causing much concern among insurers writing these coverages.

The proposed bills framed by this joint committee on health insurance would permit these types of coverage to be written only on a guaranteed cost, guaranteed renewable and non-cancellable basis. Group coverages would have to contain a conversion privilege permitting a withdrawing employee the right to individual coverage with benefits at least 75% of those in the group contract and at a rate not more than 25% greater than the average group rate. The policy so obtained would also be guaranteed renewable and non-cancellable.

There would also be a provision that group insurers could not invoke the right to use evidence of health except for those failing to sign up with the group plan within the usual initial period of 30 days or so.

It is expected that the Metcalf committee will hold hearings within the next few weeks.

If proposals such as the committee seeks were to be enacted they would at best stifle experimentation and force insurers to confine themselves to the simplest types of coverage. At worst, the companies might find it impossible to write these coverages in New York. This would presumably give rise to a demand for the setting up of a state fund.

So far as can be determined, the Metcalf committee proposals have little support in the legislature. But insurance experts in this field are mindful of how easy it is to generate popular pressures that could force the legislature to take action. Health insurance is of interest to just about everybody. The Metcalf committee has been very successful in getting good newspaper publicity. The committee has backed into its over-all proposal by saying that the problem of getting health insurance for the aged is to prohibit the writing of hospital, surgical and medical policies except on a guaranteed renewable, lifetime coverage basis, like permanent forms of life insurance.

St. Louis CPCU Chapter Elects Brown President

St. Louis Chapter of CPCU has elected L. Z. M. Brown Jr., Continental Casualty, president; A. Henry Bell, Century, vice-president; Albert L. Weiss, local attorney, secretary, and Melvin E. Crawford, Marsh & McLennan, treasurer. Officers were installed at the January meeting.

Mr. Weiss also was presented with a plaque in recognition of his 10 years service as chapter secretary, and retiring president Elliott Reid, Insurers Service Corp., received a plaque for his services.

Eagle Fire Declares 10% Stock Dividend

Eagle Fire of Jersey City, N. J., has declared a 10% stock dividend, payable March 15, on 434,000 shares now outstanding. No fractional shares will be issued as dividends. Stockholders possessing less than 10 shares will be paid at the rate of 40 cents per share.

Broker Loses Suit on Mass. Employes Group Life Case

BOSTON—Federal Judge Ford has allowed defendants' motion to dismiss the suit brought by J. Thomas Miley, Boston broker who sued eight Massachusetts group insurers under the Sherman anti-trust act on the ground that they conspired to get the State of Massachusetts to insure its employes with the eight companies by permitting them to revise their bids down to that of Minnesota Mutual, which Mr. Miley represented.

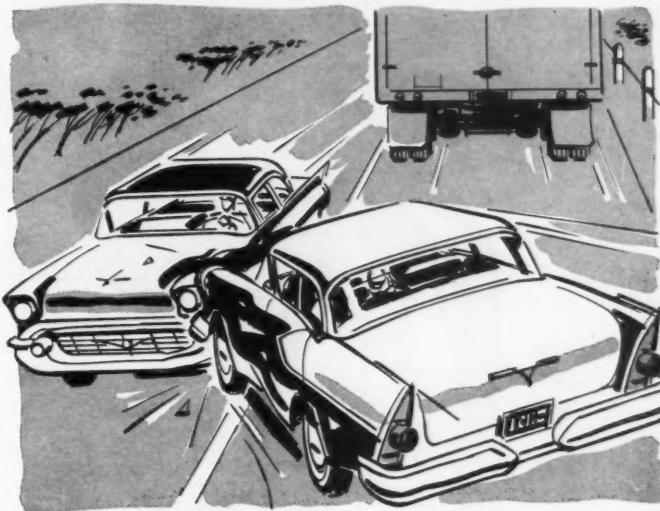
Minnesota Mutual, which was not a party to the suit, had bid 90 cents per \$1,000 on the life coverage but the companies licensed in New York, which included all but Boston Mutual, couldn't go below the New York-pre-scribed minimum of \$1.20 without jeopardizing their New York licenses. To meet Minnesota Mutual's low bid of 90 cents, the companies arranged with Boston Mutual to enter the group business, insure the group at 90 cents, and cede 95% of it to the other seven companies.

Judge Ford pointed out that the state commission handling the insurance was not required to invite bids or give the business to the lowest bidder. Moreover, even if what was done would under other circumstances constitute a violation of the Sherman act, it was done under state law and public law 15 expressly provides that the state law shall apply, Judge Ford said. Even if the best rate the state had been able to get from a local company had been higher than the rate in determining Minnesota Mutual, "it could still have considered other factors than the rate in determining what would be in the best interest of the commonwealth and its employes. For various reasons it could have preferred to deal with a Massachusetts company rather than one from another state." The judge also said "the injuries alleged are remote and speculative."

Name Cranford in Durham, N. C.

Durham (N.C.) Insurance Exchange has elected Thomas B. Cranford president; Hilda H. Tucker vice-president, and Dan Miller secretary-treasurer.

BACK THE ATTACK on Traffic Accidents



40,000 PERSONS WERE KILLED in traffic accidents during 1956! There were close to 1½ million non-fatal traffic injuries on our streets and highways. The cost of these accidents was a full \$4½ billion.

The National Safety Council has again taken the lead in an all-out drive to reduce the accident toll; to strengthen traffic safety programs at the community, state and

national levels. This drive, now under way, is the "Back the Attack on Traffic Accidents" Campaign.

Its goal is the safe operation of safe vehicles by responsible and competent drivers on streets and highways engineered for safety! You can help "Back the Attack" through your local safety organization, and wherever people work actively for traffic safety, deaths go DOWN!

Grain Dealers Mutual

INSURANCE COMPANY

INDIANAPOLIS 7, INDIANA

Western Department: Omaha 2, Nebraska

FIRE • CASUALTY • AUTOMOBILE • INLAND MARINE

you'll soon see

WHY

writing:
fire • inland marine
auto • casualty

... More and more agents continue to grow with Indiana Lumbermens. For many years, outstanding mutual agents have found Indiana Lumbermens' prompt, dependable claims service—improved coverage—planned advertising aids—make their selling job easier—more profitable.

Write to
Home Office for
Details

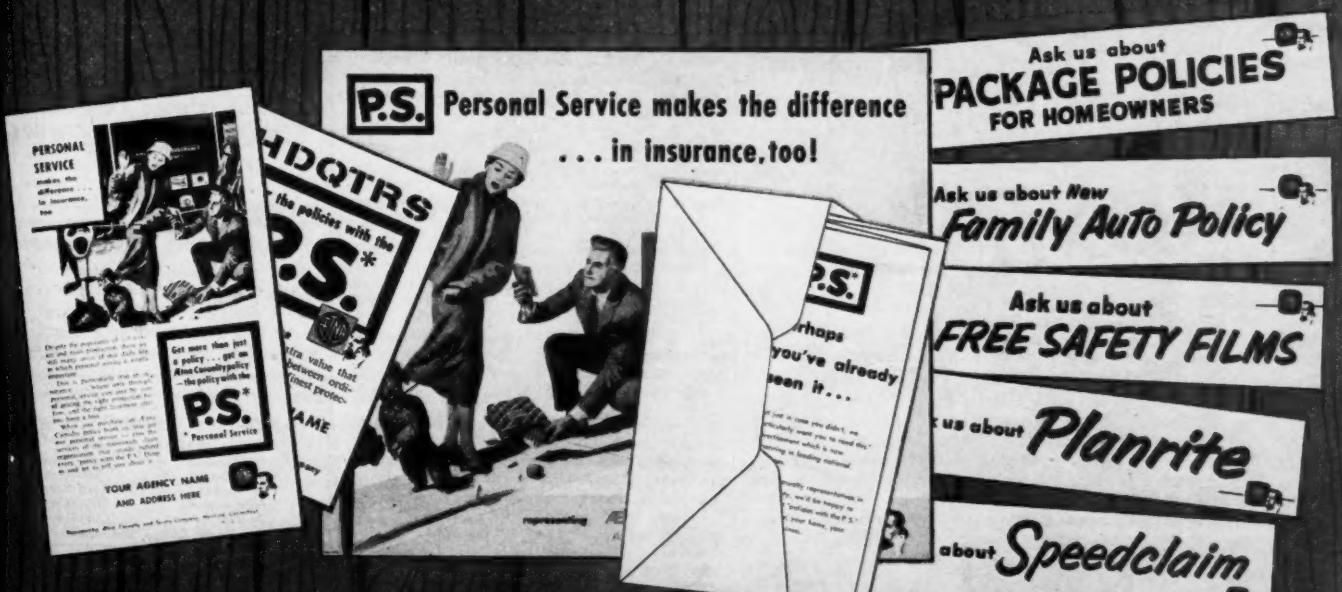
INDIANA LUMBERMENS
MUTUAL Insurance Company
429 NORTH PENNSYLVANIA STREET
INDIANAPOLIS, INDIANA

This **NEW** Aetna Casualty campaign in leading national magazines during 1957

... Telling and
Selling the
advantages of

the policy with the
P.S.*
*Personal Service

... plus **NEW** tie-in materials and selling aids



In 1956, Aetna Casualty agents ordered and used hundreds of thousands of pieces of tie-in material. This year, the Company is offering an even greater array of selling aids, including newspaper mats, general purpose mats, reprint mailers, display and counter posters, streamers, P.S.

folders, radio and TV commercials, stickers, etc. Already, agents have ordered tremendous quantities of this material to identify themselves locally with the "P.S." campaign and thus take full advantage of the national magazine advertising.

YOU are the right man!

FOR QUALITY PROPERTY INSURANCE, SEE YOUR HOMETOWN AGENT!

there's one right way to buy auto insurance



There's a right and a wrong way to buy automobile insurance—or any other kind of property insurance. It's better, safer, and cheaper to know in advance . . . before you have had an accident . . . that you have good insurance, solid protection. One sure way to get the most for your money, is to see your Home Insurance agent or broker. He is your expert.

THE HOME
Insurance Company
ORGANIZED 1853
Home Office: 59 Maiden Lane, New York 8, N. Y.
FIRE • AUTOMOBILE • MARINE
The Home Indemnity Company, an affiliate, writes
Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

This Home Insurance Company advertisement does more than stress the importance to car owners of the *right insurance* . . .

It emphasizes equally that to get the best protection, they must see the *right man*.

This ad tells them that the *right man* is **YOU**. It tells them why. It can direct good automobile business to your agency—if you cooperate.

Another expert—ready to assist your agency in any way he can—is your Home fieldman. Just call on him.

Convention Dates

Feb. 4, Insurance Economics Society of America, midyear, Drake hotel, Chicago.

Feb. 13, Oil Insurance Assn., annual, 175 W. Jackson Blvd., Chicago.

Feb. 18, West Virginia I-Day, annual, Frederick hotel, Huntington, W. Va.

Feb. 20-22, Michigan Assn. of Insurance Agents, midyear, Statler hotel, Detroit.

Mar. 1-2, Tri-State Mutual Agents Assn., annual, Penn-Harris hotel, Harrisburg, Pa.

Mar. 4-5, New Jersey Assn. of Insurance Agents, midyear, Berkeley-Cartaret hotel, Asbury Park.

Mar. 6-7, Fire Underwriters Assn. of the Pacific, annual, Sheraton-Palace hotel, San Francisco.

Mar. 7-9, National Assn. of Surety Bond Producers, annual, Mayflower hotel, Washington, D. C.

Mar. 10-14, National Assn. of Mutual Insurance Agents, midyear, Jung hotel, New Orleans.

Mar. 17-19, Eastern Agents Conference of NAIA, Statler hotel, Washington, D. C.

Mar. 20, American Marine Hull Insurance Syndicate, annual, Board room, 99 John street, New York City.

March 24-27, Southern Agents Conference, Jung hotel, New Orleans.

March 24-26, Midwest Agents Conference of NAIA, French Lick-Sheraton hotel, French Lick Springs, Ind.

Mar. 25, Rhode Island Assn. of Insurance Agents, mid-year, Sheraton-Biltmore hotel, Providence.

Apr. 3-4, National Assn. of Independent Insurers, workshop, Mark Hopkins hotel, San Francisco.

April 4-5, National Assn. of Casualty & Surety Agents, directors semi-annual, Ambassador hotel, Chicago.

April 7-9, Mutual Agents Assn. of New York, annual, Syracuse hotel, Syracuse.

April 11-12, Ohio Assn. of Mutual Insurance Agents, annual, Neil House hotel, Columbus.

April 15-17, Iowa Assn. of Insurance Agents, annual, Saverly hotel, Des Moines.

April 18-19, Zone 5 of NAIC, annual, Plains hotel, Cheyenne, Wyoming.

April 25-26, Minnesota Assn. of Insurance Agents, midyear, Leamington hotel, Minneapolis.

April 28-May 1, Chamber of Commerce, insurance department, annual, Washington, D. C.

April 28-May 1, Colorado Insurers Assn., annual, Cosmopolitan hotel, Denver.

April 28-May 1, Rocky Mountain Territorial Conference of NAIA, annual, Cosmopolitan hotel, Denver.

May 1-5, National Assn. of Public Insurance Adjusters, annual, Saxon hotel, Miami Beach.

May 2, Midwestern Independent Statistical Service, annual, La Salle hotel, Chicago.

May 2-4, Louisiana Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.

May 2-4, North Carolina Assn. of Insurance Agents, annual, Carolina hotel, Pinehurst.

May 5-7, Alabama Assn. of Insurance Agents, annual, Battlehouse, Mobile.

May 5-7, New York State Assn. of Insurance Agents, annual, Syracuse hotel, Syracuse.

May 6-8, National Assn. of Independent Insurance Adjusters, annual, El Mirador hotel, Palm Springs, Cal.

May 7, Assn. of Casualty & Surety Companies, annual, Waldorf-Astoria hotel, New York City.

May 9, Surety Assn. of America, annual, Sheraton-Astor hotel, New York City.

May 10-11, Oklahoma Assn. of Insurance Agents, annual, Biltmore hotel, Oklahoma City.

May 13-15, National Assn. of Insurance Brokers, annual, St. Louis.

May 16-17, Arkansas Assn. of Insurance Agents, annual, Arlington hotel, Hot Springs.

May 17-18, Texas Assn. of Insurance Agents, annual, Statler-Hilton hotel, Dallas.

May 20, Vermont Assn. of Insurance Agents, midyear, Woodstock Inn, Woodstock.

May 20-22, Georgia Assn. of Insurance Agents, annual, Bon Air hotel, Augusta.

May 20-22, Insurance Accounting & Statistical Assn., annual, Palmer House, Chicago.

May 20-24, National Fire Protection Assn., annual, Statler hotel, Los Angeles.

May 21, Society of Fire Protection Engineers, annual, Statler hotel, Los Angeles.

May 22, National Automobile Underwriters Assn., annual, Roosevelt hotel, New York City.

May 23, National Board of Fire Underwriters annual, Commodore hotel, New York City.

May 23-24, Casualty Actuarial Society, spring meeting, French Lick-Sheraton hotel, French Lick, Ind.

YOUR CLIENT has confidence in YOUR counsel!

• You'll safeguard his interests—and yours—when you point out the need for a factual appraisal as a sound basis for determining his insurance protection.

THE LLOYD-THOMAS

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First for Factual appraisals
since 1910

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A Service Guide

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Established 1945
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Queens Village 29, N. Y.

The LAWRENCE WILSON COMPANY

Managing General Agents
"Unexcelled Insurance Facilities"
SERVICE TO LOCAL AGENTS
AND BROKERS EXCLUSIVELY

First National Bank Building Tulsa 3, Okla.

Fiftieth Anniversary Year FIDELITY APPRAISAL CO.

Established 1905
Milwaukee New York
Chicago Philadelphia
St. Louis Baltimore
Minneapolis Pittsburgh
Detroit Cleveland
Home Office, Milwaukee

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PRITCHARD AND BAIRD

99 John St., New York 38, N. Y.
Phone WOrth 4-1981

REINSURANCE

CONSULTANTS AND INTERMEDIARIES
"We Are What We Do"

COMMENTS

TRENDS

OBSERVATIONS

Discussion of Tie-In Advertising Methods
Worth Close Attention of Agency Forces

With success or failure of the impending National Board radio and TV advertising program—the 13-week series of spot announcements is scheduled to begin on March 4—generally agreed to hinge upon the enthusiasm with which agents cooperate by means of tie-in advertising, the discussion of this subject by Robert C. Dauer, assistant editor of the *Fire, Casualty & Surety Bulletins*, in the February issue of that service, is decidedly worth the close attention of agents and agency organizations. Representatives of the many companies which have been "going it alone" in their efforts to induce more willing support of their own national advertising by their agency forces will also find much of merit in the discussion.

Mr. Dauer, recognizing that there are many obvious reasons why agents, both individually and collectively, should tie-in with national advertising, warns that an agent must, however, use some restraint in tying his advertising to the larger campaign. "A concentrated campaign—at the national level—does create a favorable buying atmosphere. If properly executed, it can break down consumer resistance, stimulate curiosity, arouse interest and predispose favorably the purchaser to personal contact," he states, going on to point out that the agent can capitalize on the favorable selling atmosphere created by a national campaign at a fraction of what it would cost him, unsupported, to develop that atmosphere. However, he continues, "the agent can err on the side of over-enthusiasm almost as much as he can by neglecting his advertising opportunities altogether."

How can a local insurance agent, with an admittedly limited advertising budget, best take advantage of an opportunity to co-ordinate his advertising activities with a national advertising campaign? This is the problem the *F.C.&S. Bulletins* discussion tries to answer.

The discussion analyzes the merits of tie-in advertising via four popular media: Television, radio, newspapers and direct mail.

Mr. Dauer believes that except in very rare cases, television advertising for a lone agency is almost out of the question—the cost may very well be prohibitive. "While the national advertiser can use television profitably, it can play havoc with the comparatively limited budget of an agency. This is true even where TV film strips are made available at negligible cost."

For example, the National Board campaign will include use of 20-second TV spots three times weekly in ten top TV markets in choice time—between 7 p.m. and 11 p.m.—when, of course, the best viewing audience is available. The cost of the same number of spots, during equally choice time, over one large Cincinnati station—not included in the National Board "network"—including a 5% quantity discount is \$9,262.50; a figure

somewhat beyond the average agency advertising allocation.

One solution to this seeming TV enigma is hinted at by the treatment. Since television is an advertising medium with proved strong selling power, and one most suitable to advertisers with rather large budgets, agency organizations are undoubtedly better equipped to finance a video tie-in.

How about radio? Should a local advertiser tie-in on the large, high-priced station used by a national advertiser trying to blanket the country most economically or should he spot his radio messages on a smaller, less expensive station? Mr. Dauer points out that in certain areas of the country a national advertiser can cover almost an entire state from one key station in a centrally located city. He notes that it would be clearly impractical for an agent located in a much smaller community in a geographically remote section of that state to advertise over the big-city station.

Far from discouraging the use of radio, however, the discussion stresses its features which make it very attractive to an advertising-conscious agent. "Clearly, a local agent can profit tremendously by tying-in on another station with the mood, theme, copy and so-on of the national advertiser even if he decides that an immediate follow-up on the same station as that used by the national advertiser is not in order," the article continues.

It is interesting to note that records of the spot announcements prepared by the National Board will be available at a cost of 50¢ or 75¢. Thus, it would be possible for an agent to buy radio time on a station of his own choice, use the recommended scripts and then have the local announcer particularize or identify the local sponsor.

The discussion points out that radio and television executives themselves advocate coordinating radio and television advertising with newspaper advertising, so quite possibly this is the ideal way for an insurance agent to capitalize on the national advertising of his company.

Mr. Dauer advocates a concentrated series of advertisements in local newspapers doing either or both of two things:

1. Call attention to the national advertising by mentioning it specifically.
2. Without mentioning the national ad directly, repeat its message.

He cites the previous failure of insurance agents to utilize fully the newspaper mats, reproduction proofs, etc., usually furnished by companies as part of a national campaign.

And, for agencies which hesitate to adopt fully the national advertiser's newspaper material, he notes that, "even for the agency which has developed a recognizable newspaper series, it is possible to tie-in with a na-

tional campaign by retaining the distinctive style or formula of the local series but introducing the copy or ideas of the national advertiser."

The article concludes with a discussion of direct mail activity and the danger of "over-stuffing."

High Losses, Low Rates
Hit French Auto Insurers

Soaring losses and outdated rating regulations have wiped out underwriting profits for French auto insurers, Bernard Marty, Campagne Generale d'Assurances de Paris, stated recently.

"Our company is attempting to develop more realistic statistical practices which we hope will be adopted some day by the government rating office," explained M. Marty. Rates in France are set by a nationwide statistical bureau.

M. Marty, accompanied by Robert de Montalivet of Compagnie Generale and Francois Jacquin of Paris IBM, attended an IBM training school in Flint, Mich., and visited State Farm Mutual Auto's home office to study its selective underwriting operation and its use of its electronic data processing equipment. Compagnie Generale has ordered an IBM electronic computer, the first to be ordered by a French private enterprise.

Babaco Protects \$1 Million
Traveling Display Trailers

Fully insured against loss or damage, Schenley Distillers Co. "Golden Age of Elegance Showcase," a \$1 million traveling display of gold-plated table settings, hand-cut crystal, and other aspects of sumptuous living, is also protected by a custom-built Babaco Alarm System installed in the two trailers comprising the elaborate exhibit. The system reduces the insurance risk of the display, which is scheduled to make a countrywide tour.

Mid-Continent F&M. Promotes Two

William B. Gott, a vice-president of Mid-America F&M. of Kansas City, has been elected to the newly created post of executive vice-president, and has been elected a director. Max Howard, auditor, has been elected treasurer.

Commissioner Cravey of Georgia, third from left, presenting Sidney O. Smith, left, with agent's license No. 1 under the new agency licensing procedure which went into effect Jan. 1. Mr. Smith is past president of Georgia Assn. of Insurance Agents and NAIA. Second from left is Harry D. Christian, agent's licensing director, and on the right is C. Robert West of St. Simon's Island, president of the Georgia association.

Predicts Unions Will
Turn to Insurers in
A&S Bargaining

Organized labor will shift its approach in bargaining on health and welfare benefits from employers to insurers, Lane Kirkland, assistant director of the AFL-CIO social security department, predicted in a newspaper interview at Milwaukee where he is instructing in health and welfare at a conference on worker security.

Mr. Kirkland said the shift will develop because in many cases employer contributions are adequate to provide the type of protection unions want, but the plans are not available from the insurers. Under many current plans, he noted, the insured must be in a hospital before he can receive benefits, and this results in overcrowding of hospitals with persons who really ought not to be in bed but feel they must in order to collect. This pushes up hospital costs and ultimately insurance rates, he added, suggesting that preventive and outpatient care under group programs as an answer.

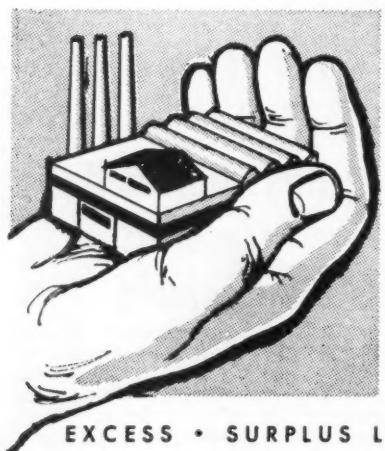
Mr. Kirkland said commercial insurers should not be in the health insurance field at all, since they do not provide a useful service. He said he does not object to any insurance company making a profit, provided it renders a useful service, but he contended experience rating of group A&S is "completely unsound." This means, he pointed out, "that those groups who need care the most don't get it because they are high risk groups and the cost is prohibitive. Insurance carriers are always out after the preferred risk."

In some cases, Mr. Kirkland went on, insurers turn over to a union the administration of a health insurance plan, then isolate the group for experience is bad, instead of the cost being spread throughout a much larger group.

Delaware, Maryland and D. C. Field Club heard B. P. L. Carden, general adjuster of National Board, outline the function of the board's new Baltimore supervisory office at the January meeting.



Supporting your Ability to Provide...



EXCESS • SURPLUS LINES • REINSURANCE

Correspondents
of Underwriters
at Lloyd's, London

MacGibeny-Grupe, Inc.

INCORPORATED

Insurance

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CHICAGO 4, ILLINOIS

WAbash 2-9580

Teletype CG 2629

Hit the Road...and Prospects with Anchor's New Motel Owner's Policy!



Easy to Sell... Packaged Coverage...
Substantial Savings

In one complete package all these important coverages: Fire, Burglary, Medical Payments, Neon Signs, Fidelity and Liability lines including Premises & Operations, Personal and Innkeeper's Business Interruption, Plate Glass and others may be added. Written on 3 or 5 year basis with convenient installment payments—credit allowed for existing insurance.

Multiple Line Facilities

Workmen's Compensation
Automobile
Misc. Gen. Liability
Allied Lines
Burglary—Plate Glass
Fire & Allied Lines
Fidelity & Surety
Inland Marine
Crop Hull



SEE YOUR ANCHOR MAN FOR HELPFUL ASSISTANCE

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Brooklyn, New York

B. & R. EXCESS CORPORATION

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Full Facilities for the Broker

SURPLUS LINE—EXCESS LIMITS—OCEAN MARINE
ERRORS AND OMISSIONS

REINSURANCE (Facultative & Treaties)

RAYMOND E. KARLINSKY—JOSEPH NEULINGER—WILLIAM H. MALONE
(Personal Attention for Your Problems)

Foresee Many "Nuclear" Claims

(CONTINUED FROM PAGE 1)

reactors are in operation and the public becomes conscious of them, a great many claims are going to be presented because of real or fancied injuries, Mr. Donovan indicated. This will constitute the major insurance problem, he believes, of the nuclear energy development. For example, a person in the vicinity of a nuclear reactor who develops arthritis after the reactor gets in operation may believe the arthritis is due to the operation of the reactor nearby and will present a claim. The lack of medical information on the effects of radiation make this situation difficult to handle.

Suits already have been filed for property damage liability against reactor operators—before they are completed or in operation. These have been filed by persons who, because members of their families were uncomfortable as a result of the construction of a nuclear reactor nearby, have tried to sell their property and found none wanted to buy it, at least at the going price.

Mr. Donovan suggested that after the nuclear reactor is under way, all of the deformed children in the neighborhood will have their afflictions attributed to the operation of the nuclear reactor—and perhaps many who do not have children will blame radiation for the situation.

Consequently, he said, even without a catastrophe type explosion of a reactor and widespread radiation, reactor operators and the insurance business are going to have a considerable loss ratio. This incidence of claims, already begun, will step up rapidly once reactors are in operation. For this reason, Mr. Donovan said, almost every attorney has a real, bread and butter interest in nuclear development.

The insurance business faced a big task, which is not yet completed, in marshalling the facilities of the world to get together capacity to offer \$60 million to \$65 million coverage for each reactor used for peacetime purposes, and to evolve a coverage with which the insurers could live, Mr. Heard said.

One problem in devising coverage, which has been filed with the insurance departments, is to limit the liability assumed on the catastrophe hazard to that written through the syndicate, Mr. Heard said. To do this, it is necessary to exclude the catastrophe hazard from other policies and still have the other policies continue on the liability hazard of the isotope, or minor, nuclear hazard. This will require revision of a number of other policies. Only in this way, he indicated, can the companies avoid and limit their liability to avoid corporate suicide.

There is a difference of opinion in the business as to how large a problem the insurers have with workmen's compensation, he said. The insurers are not concerned about coverage of workmen at the reactor and in the immediate vicinity. What does concern them is the possibility of a large excursion of radioactive material and a fallout over a vast area which would affect the employees of hundreds of other businesses. This problem, he admitted, has not yet been resolved by the business.

Mr. Heard said he assumed that the Anderson bill in Congress, which failed to pass in the last session, will go through this year. Under that bill the government would assume, above pri-

vate insurance capacity, \$500 million of liability, and the bill limits the liability to that ceiling.

Mr. Heard said that government indemnity would apply all along the line, to reactor operator, contractor, manufacturer of materials and components, etc. The insurers' coverage, he noted, also will protect the operator or owner of the reactor, and every insurable interest involved in it—manufacturer, designer, contractor, etc. This was done also to avoid an accumulation of liability down the line. Insurers did not want to place themselves in the position of writing the coverage for the operator, writing another policy for the manufacturer, another for the contractor, and so on, which would prevent controlling the amount of liability.

Several of the panelists emphasized the remote possibility of a reactor blowing and involving a large area and many people. However, Mr. Heard pointed out that while the chance of such an occurrence is remote, there is always present the possibility of human failure, as there was in the Livonia, Mich., fire of General Motors, and the Brooklyn pier fire of last December.

Mr. Havens emphasized that a catastrophe is very, very remote. However, Mr. Donovan asked him to relate that possibility to the chance of two airplanes colliding over Grand Canyon. Mr. Havens admitted that both occurrences are extremely unlikely, and the audience laughed.

Mr. Havens dealt with the physical characteristics of nuclear fission, and compared the tremendous release of power with the production of energy by customary fuels. He said one problem not yet solved which might give insurers some concern is disposal of waste products, which are extremely radioactive.

Those in the nuclear field speak of some of the safety precautions in the handling of nuclear fission as getting the reactor or one of its processes to "fail safe." An example would be to have just less than a critical mass in the geometric configuration employed.

He admitted that scientists are having their difficulties with determining how they can tell when a person has been radiated to a dangerous degree.

The nuclear energy industry, he said, has been very conservative in its estimate of the performance of components of the reactor, for example in submarines. These, however, he pointed out, have been over-engineered and are quite expensive. But when nuclear fission gets into commercial use, these parts will, because of their cost, be "stepped down" from the level of perfection reached under the government program. He also mentioned the special problems the industry has in con-

THE OLDEST INSURANCE COMPANY IN THE WORLD



55 FIFTH AVE., NEW YORK

nection with reactor materials, in order to resist radiation and corrosion, and to transfer heat.

Mr. Kennedy said the legal problems of the atomic energy industry are going to be a matter of concern to many attorneys. Nuclear energy now is a commonly accepted source of fuel for propulsion in the navy. He predicted that most navy vessels will be nuclear propelled before too long. Much work is being done on airplane propulsion, but that is further away as a practical matter.

The production of electrical energy by a country is one of the most precise indices to its standard of living, Mr. Kennedy noted. The United States is by long odds the highest in this respect. The production of electrical energy must double every 10 years in order to maintain the pace, and there are not enough fossil fuels or hydroelectric plant opportunities in the U.S. to maintain this pace. Consequently the expansion in the production of electricity is going to have to depend on the development of nuclear energy.

He estimates that by about 1975 at least half of all new power plants in the U.S. will be nuclear fueled.

The legal problem in the possibility of a reactor blowing is unique in its dimension. Of course, he said, the probability of a major incident is very, very low. But it is not impossible. Its potential is in the hundreds of millions of dollars. There is also the specter of the reactor operator being held liable without proof of fault because he is engaged in an ultra hazardous activity.

He said it was essential for private insurance and government indemnity to combine to give protection to reactor operators and others in this field. The insurance business has done a remarkable job in getting together a syndicate to help the atomic energy industry develop and grow. The business is offering amounts of cover way beyond anything known before. But this still is not enough, and he expressed hope that Congress would pass the Anderson type legislation at this session.

Mr. Donovan commented on the fact that nuclear energy is very likely to affect every lawyer in one way or another and said that virtually every member of the bar must acquire a working knowledge of the field. He suggested that uses of nuclear energy would be widespread. In the marine field, for example, in 10 years it is estimated that 90% of all merchant marine (1,000 tons or more) will be powered by atomic energy. There are also the manufacturers of component parts, both those who know that they are manufacturing parts for a reactor and

those who do not know. Isotopes are in very wide use in industry, medicine and science.

Mr. Donovan asked Mr. Havens about the smoke coming out of the reactor chimney at Brookhaven, L.I. Is that smoke radioactive? Mr. Havens said it is quite radioactive. Much research is being done on the disposal of such waste. Brookhaven has a power bill of about \$1 million a year for operating fans which blow the gasses out through the gas stack, to a height of 30,000 feet. There are also radiation monitors located all over Long Island, and if the concentration of radioactive materials, weather conditions, etc., became dangerous, the reactor would be shut down.

He said that all of the radiation which has been created by nuclear fission since 1944 would scatter through the atmosphere, give persons one-tenth of what they get from x-rays and from cosmic rays in a lifetime. The problem of waste disposal is not critical today, but it might become so by 1970 or 1980, after a number of reactors have been in use for a long time.

Combined private insurance and government indemnification is recommended as the best solution to the problem of protecting the public and industry against losses which may be caused by atomic hazards in a report made for Atomic Industrial Forum by the legislative drafting research fund of Columbia University.

The report emphasizes that a proper insurance program should be established immediately.

The report recommends that Atomic Energy Commission require proof of financial responsibility as a condition of licensing reactors or other atomic installations, and that above the amount of financial protection required, government indemnity cover possible liability of the operator and supplier to the public.

Sponsored by Atomic Industrial Forum, the Columbia study was financed in cooperation with private insurers, electric utility companies, and nuclear reactor and component manufacturers. It was made under the direction of Prof. John M. Kernochan and Prof. John G. Palfrey. Ralph W. Blanchard, professor of insurance, was among the consultants.

Washtok Joins Kemper Staff

Donald B. Washtok has joined Kemper group's fire engineering staff, with headquarters in Portland, Ore.

Mr. Washtok entered insurance in 1951 as an engineer with Oregon Rating Bureau and has been with a local Portland agency for the past year.

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Audits & Inspections.
Audits of Burglary & Bond
losses.
Audits for reinsurance
companies of payrolls, claims,
etc.

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Inspections.

Audits of Cargo Motor Lines
to determine financial
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25 other offices, providing nationwide service in U.S.A.
as well as service in Canada and Puerto Rico



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- HIGH RATED AND/OR SURPLUS LINE FIRE
- REPLACEMENT COST (ANY SITE)
- BUSINESS INTERRUPTION
- BURGLARY
- OVERAGE ACCIDENT
- ERRORS AND OMISSIONS
- HIGH LIMIT EXCESS
- HULL, P AND I, EXCESS CARGO
- PILOT, EXECUTIVE TRAVEL ACCIDENT

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Company

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Insurance Company

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MULTIPLE LINE



Home Offices

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INC.

REINSURANCE

TREATY
FACULTATIVE

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REINSURANCE

ON INDEPENDENCE SQUARE

Milwaukee Board Has New Name, Plans to Start Road Aid Feb. 1

Milwaukee Board of Underwriters has changed its name to Milwaukee Assn. of Insurance Agents to more closely reflect the nature of its membership and to correspond to the state and national associations.

The association will start its Road Aid program for motorists insured through its members this week. The service, which includes fuel delivery, emergency mechanical repairs and towing, is available for an annual fee of \$1.

Eventually, the goal of the plan is to extend services to include map routing services, hotel reservations and emergency telegraph messages and to extend the plan to surrounding communities. Participants now have reciprocal privileges with similar plans operating in Detroit and Chicago.

Tex. Bills Would Restrict Deviations

AUSTIN—Rate deviations in Texas, currently a filing procedure used at the discretion of any company writing fire and allied lines, would be restricted under terms of identical bills filed last week in the house and the senate. The measure has received the approval of Texas Insurance Advisory Assn. and Assn. of Fire & Casualty Companies, according to officers of those organizations. It also is known that certain agency groups favor the bill.

The new proposal amends the insurance code on the fixing of maximum rates. In brief it provides that an open hearing shall be held on a company's application for permission to file a deviation or reduced rate; it declares that the deviation must be justified with credible loss experience, and it directs that the board of insurance commissioners also shall give consideration to factors normally used in determining rate bases.

Concurrently identical bills have been introduced that would put Lloyds and reciprocals under the state's fire rating laws, thereby taking away certain exemptions now in effect.

Travelers Gets Defense Department Award

For "outstanding cooperation with the reserve program of the armed forces," Travelers has received the Department of Defense reserve award. Presentation was made to President J. Doyle DeWitt by Col. D. S. Somerville, chief, U. S. army military district, Connecticut, at a special luncheon in Hartford.

The citation accompanying the award commended Travelers for its cooperation and support of the armed forces reserve training program, stating that its long standing policy of abatement reflects great credit upon management at all levels.

Titus Named in Indiana by North British Group

North British Group has appointed Bruce E. Titus special agent, to be associated with State Agent Robert G. Barlow at 21 North Pennsylvania Street, Indianapolis.

West Bend Mutual Shifts Mertz

Sydney L. Mertz, special agent of West Bend Mutual Fire in Illinois, has been transferred from Galesburg to Bloomington and will service the central section of the state from his home at 32 Briarwood, Normal, Ill. The change is effective Feb. 1.

New Developments in Litigation on Texas Graduated Rate Plan

DALLAS—Litigation dealing with the controversial graduated dwelling rate plan in Texas took still another turn late last week in an agreement reached by attorneys for Southwest General of Dallas, which has spearheaded the fight, and members of the attorney general's department, which represents the board of insurance commissioners.

Under the agreement, Attorney General Wilson will drop his request for a temporary restraining order and a temporary injunction against current use of the reduced rates, which had been sought in an intervenor's suit filed a week earlier. This leaves the way open, it was explained, for a trial of the suit on its merits, now tentatively set for the week of April 1.

However, this "status quo" arrangement may be shortlived. Mr. Wilson has filed a plea contending that the board's order refusing to approve the deviation filings was merely a "cease and desist order" and not a final order subject to court action. If this plea is granted, it is said, then the Southwest General's original suit, which had the effect of setting aside the board's order, would be dismissed.

First Kentucky Fire Becomes Local Agency

LOUISVILLE—First Kentucky Fire, owned by First National Bank & Trust Co., has been made the insurance department of the bank, rather than a separate corporation. The company has been writing about \$25,000 a year in fire business in Kentucky only, most of its business being as an agency for Aetna Fire, Connecticut Fire, Northern of London, Royal, Philadelphia F. & M., Cherokee, American Surety, Fidelity & Deposit, Hartford Steam Boiler, and U.S.F.&G. Aetna Fire and Northern have been the principal reinsurers of First Kentucky's direct business.

First Kentucky, under the title First Kentucky Insurance Agency, will henceforth be operated solely as an agency. S. O. English and Clifford E. Clark Jr., former officers, become vice-presidents of the bank insurance department.

In 1955, the latest available figures, First Kentucky Fire had earned premiums of \$8,394 and commissions earned of \$94,088.

Dallas-Ft. Worth Buyers Elects Morris President

D. C. Morris of Chance Vought Co. has been elected president of the Dallas Fort Worth Chapter of American Society of Insurance Management. He succeeds W. F. Shrimpton of Temco aircraft. T. T. Redington Jr. of Dresser Industries is vice-president, Miss Annetta Johnson of Murray Co. of Texas is treasurer, and Harold Palmer of Frito Co. is secretary.

Howard & Hoffman agency in Washington, D. C., has incorporated and elected Albert W. Howard president, V. Manning Hoffman executive vice-president and chairman, Herbert W. Pasewalk vice-president and secretary, and Richard H. Winkelman is vice-president and treasurer. James N. Fitzpatrick Jr., Clement H. James, and Lowell E. Seim are assistant secretaries. William A. Campbell is assistant treasurer. Mr. Howard and Mr. Hoffman are also president and vice-president and secretary, respectively, of Firemen's Ins. Co. of D. C.

Agents Oversight Does Not Nullify Liability

(CONTINUED FROM PAGE 5)

the insurer to relinquish a known right under the policy.

The agent wanted to waive the exclusion after he realized its application, but he never purported to do so on behalf of the insurer. At the time he assured Hully that the firm was covered, the agent did not know, though the court points out that he should have known, the effect of the exclusion. Since reformation of the policy or waiver of the exclusion are unavailable as remedies, the court relied on the theory of estoppel. The court pointed out that estoppel is the equitable rule preventing a party from taking a legal position prejudicial to another party whom he has induced by words or conduct to act in good faith reliance upon a misrepresentation of material fact.

An insurer is estopped to take advantage of a condition which its agent by mistake or negligence has failed to handle properly in the policy.

"Where the company or its agent delivers to the insured a policy which is known, or should be known, to be defective, such conduct is a representation that the policy is valid and effective for the purpose intended," the court ruled. In Iowa, insured is privileged to rely upon that representation without reading or being charged with knowledge of the content of the policy.

The policy's neglect of the obligation to defend rendered it liable to Alcoa for the amount of the judgment as well as for all reasonable expenses and attorneys' fees of Alcoa, incurred in its defense of that action, the court asserted. "Premium collecting is not the only function of an insurance company," the court commented.

The court goes on to deny the insurer the right of subrogation as well as contribution. Subrogation, the court states, will not be applied to shift the loss where insured is primarily responsible as Alcoa was in the present

case through the imputed negligence of its own employee. In balancing the equities between the contractors and Alcoa, the equities of the contractors are superior because not only were they faultless as respects the loss caused by Alcoa, but they, not Alcoa, paid for the very insurance which was intended to protect Alcoa on this loss. Consequently, Alcoa is not entitled to subrogation, and the insurer is not entitled to any legal claims Alcoa might have.

Contribution is unavailable as well since there is no other party to this action with whom Alcoa is co-obligor to pay the losses of the Barnes action, the court ruled.

Alcoa's expenses in defending the action were \$862 for disbursements and \$5,500 for attorneys' fees, plus the award.

Weldell B. Gibson of Gibson, Stewart & Garrett of Des Moines appeared for Hully; L. A. Waterman of Lane & Waterman of Davenport for Alcoa; Carl H. Lambach, Margaret Stevenson of Lambach, Kopf, Stevenson & Christiansen of Davenport for Columbia Casualty, and Alex M. Miller of Holliday, Miller, Myers, Stewart & McDowell of Des Moines for Eichleay Corp.

Rocky Mountain CPCUs Elect Garrett President

Rocky Mountain chapter of CPCU has elected Walker A. Garrett, local agent of Denver, president; W. C. Hulwick, Central Mutual, vice-president, and Gerald M. Shea, Employers group, secretary-treasurer.

Brown Elected Director

Randolph E. Brown has been elected a director of American Life, a recently formed affiliate of American Surety. He is a vice-president of both companies.

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SAN FRANCISCO 4, CAL.—582 Market St., Tel. Exbrook 2-3054. Richard G. Hamilton, Pacific Coast Manager.

EDITORIAL COMMENT

No Talent, No Leadership, No Nothing?

There is no management talent in the business.

There is no leadership in the fire and casualty business.

These observations are heard now and then, and there is enough truth in them to get more agreement than disagreement.

But we should like to disagree with both statements. Like all generalizations, they are only partially true.

There is talent in the business. There are insurance executives who know how to manage their business for its present success and future well-being. There are executives who do work, whose work product is substantial, who do not spend too much time in committees, who do not lack boldness, imagination and purpose. They know how to get things done, they have judgment and energy.

There are men in the business who are grading up their staffs and executing long range development programs—who recognize their staff work as the most important, the most difficult, and the most easily neglected of management functions.

One criticism which is perhaps justified and certainly is suggestive is that top executives in the business, having come up through the ranks almost exclusively, tend to become over-impressed by the non-insurance features of the top positions. Thus they are over-awed by bankers and other non-insurance citizens with whom they are newly in association. At times they forget those functions and factors (or are unable to identify them?) which made them successful in the first place: Their underwriting ability, their hard work, and above all, getting the facts on which to make decisions and resisting the ever present temptation to decide on whim, prejudice and personal opinion. A few executives do come to regard their jobs as rewards for past efforts and not as the imposition of new responsibilities.

There are men in the business who are exerting leadership. It is true that at any given time and in any given situation there may appear to be, and be, an absence of leadership. But it also may be true that the leadership is absent only for those who want to go in another direction. Leadership may go thataway instead of thisaway, but often it is there, and is exerted even when it cannot be clearly detected or identified. On occasion there may appear to be lack of purpose.

But the exercise of leadership does not always consist of standing in the stirrups and racing into danger at the head of the column. Frequently it consists, properly so, of an atmosphere created by men of character, in which, in times of crisis, the views of reasonable men can prevail.

One suggestion here (so indestructible is the critical faculty) is that even when principles and purposes are well defined, they are at times advocated by those who are not the strongest advocates available. It would be

refreshing—and effective for their side—to see those who really make the decisions come out in the open and be heard. Some of the decision makers apparently feel that if they do come out and speak up, they will lose their influence—as a man will lose his credit if he uses it too much.

To make another turn, and criticize the critics, when they speak of the business as a unit, they are guilty of a grievous error in logic. The fire and casualty insurance business is not a unit, an integer, or anything else of a single character. It is about as dispersed, and in that respect eccentric as any business in the country. It is still as much a democracy in business as any other endeavor. There are hundreds of fire and casualty companies of consequence. Probably there are too many insurers for the highest type of efficiency. But efficiency in itself is not necessarily a desirable goal. There is always inherent in too great a concentration on efficiency the very real danger of reducing quality because quality is too troublesome and expensive.

One other comment can be made about the insurance business as compared with other businesses. This business characteristically is rather self-critical. That is a good thing for it and the public. It is a form of discipline which many other businesses practice to a much lesser degree. Thus the atmosphere in the insurance business characteristically is impressed with the interest of the public.

Prepare Card for Mich. Agents' Midyear

Announcement of the midyear meeting of Michigan Assn. of Insurance Agents at Detroit Feb. 20-22 is headed, "This may be our last midyear for three years or so." The 1957 annual meeting will be at Mackinac Island and will have a limited business program, so the agents are urged to attend the Detroit convention.

The program for the mid-year, as announced thus far, features a session on "Production Pointers from Producers" by six of the younger generation agents; "Opportunities Unlimited for the Insurance Industry" by Life magazine; a discussion on producers' advertising programs; a dramatization of driver license suspension; a discussion of the compulsory automobile insurance situation, and a resume of the new industrial property coverage.

N. Y. Brokers Hold Compulsory Auto, Assigned Risk Forum

The New York State assigned risk plan and compulsory auto law were topics of the educational forum conducted at the January meeting of Greater New York Insurance Brokers' Assn. George J. Schepens, manager of the plan, and Wynant J. Williams Jr. of Travelers automobile department were guest speakers. They gave views on assigned risk plan procedures, how the plan is dealing with compulsory auto problems, and the new family automobile protection endorsement.

Long Joins London Group on Coast, Hitt Is Associate

In line with plans for consolidating the Pacific coast operations of London group Trescott A. Long has been appointed Pacific coast regional manager of the group. He will be elected executive vice-president and director of Guarantee.

James C. Hitt has been named associate regional manager of the group and will be elected a vice-president and director of Guarantee.

Mr. Long has been executive vice-president of Pacific National Fire and its fire and casualty affiliates.

Previously he had been executive vice-president of National Fire group. Admitted to practice law in Iowa, he began his career in 1923 with Southern Surety in Des Moines, and he has served a number of leading property insurance companies in Atlanta, St. Louis, New York, Hartford and Los Angeles.

Mr. Hitt entered insurance in the San Francisco office of London group in 1925. From 1930 to 1938 he served as special agent in Oregon and was named Pacific coast manager in 1943. He is a vice-president and director of Manhattan F&M, a member of the group.

Charles G. Landresse, who joined London group 42 years ago, has been named assistant regional manager and will become assistant secretary of Guarantee, a position he now holds in Manhattan F&M.

Wyo., S. D. Get Auto Rate Revisions

National Bureau of Casualty Underwriters and National Automobile Underwriters Assn. have revised automobile rates for Wyoming and South Dakota, effective Jan. 30.

In Wyoming BI and PDL rates are increased for all classifications. For the no. 1 classes increases are \$1 to \$3, for 2A from \$2 to \$5, and for 2 \$17 to \$25.

Comprehensive has been raised \$1. A \$50 deductible comprehensive at up to 40% off is offered. Private passenger collision, \$50 deductible, is decreased 4% and \$100 deductible 5%. For class 2C collision the rate increases 25%.

Local hauling commercial collision is reduced 6% but comprehensive goes up 25%.

In South Dakota no. 1 rates vary from a reduction of \$2 to increases of \$2 to \$3, and 2A increases range \$3 to \$5, and 2C \$14 to \$21.

Comprehensive goes up \$3, the deductible at a discount. Class 2C collision premiums are increased 30%.

Commercial local hauling comprehensive decreases 9%.

Maryland CPCU Chapter Names Dougherty President

Maryland chapter of CPCU has elected Eugene P. Dougherty, America Fore, president; John R. Johnston, U.S.F. & G., vice-president; Gregory A. Lee, U.S.F. & G., secretary, and Elmer B. Crockett, Fire Association, treasurer.

Los Angeles Agency Adds Two

Sayre & Toso Inc. of Los Angeles has appointed C. M. Pratt marine manager and Nora Peach marine underwriter. Both Mr. Pratt and Miss Peach have been with Talbot, Bird & Co. for eight years.

PERSONALS

Harry J. Boyle, general manager of General Adjustment Bureau's Pacific department, has been elected chairman of the San Francisco World Trade Center Authority, succeeding Leland J. Cutler, Fidelity & Deposit. Just recently, Mr. Boyle was elected mayor of Hillsborough, a suburb of San Francisco.

Gamble C. Dick, former Kentucky commissioner now living in Florida, underwent an operation at General Hospital, Tampa, in late January, and is reported to be recovering satisfactorily.

Gordon B. Dow, local agent of Flint, Mich., has been named chairman of the 1957 Red Cross campaign to be conducted in March in outlying areas surrounding Flint.

Harry R. Hicks of the advertising and publicity department of Aetna Life group celebrated his 40th anniversary with the company.

James H. Vey, secretary of Hanover Fire group, completed 40 years service in January. Fellow officers and associates honored him with a testimonial luncheon at the Drug & Chemical Club in New York.

Carl N. Jacobs, president of Hardware Mutuals, received a plaque in token of Stevens Point, Wis., Junior Chamber of Commerce's annual distinguished citizen award.

Richard E. Erickson, Fire Underwriters Assn. of the Pacific, has resigned to become executive manager of University of California Alumni Assn.

DEATHS

FORT H. MOORE, chief electrical engineer of Indiana Inspection office for over 40 years, died in Indianapolis after a long illness. Widely known in insurance circles, Mr. Moore had been secretary-treasurer of the western section of International Electrical Inspectors Assn. Two brothers are well known in insurance, Ross A. Moore, formerly with Loyalty group at Indianapolis, and Byron J. Moore, state agent for American Indemnity in Indiana, Kentucky and Tennessee.

JAMES D. MURPHY, 58, of Murphy & Jordan, New York insurance brokers, died in Miami Beach.

CLARE E. COOK, 57, chairman and founder of Republic Indemnity of Ohio, died after a long illness.

PRESTON W. WRIGHT, 71, manager of Maryland Casualty's printing department, died at his home in Baltimore. One of the company's oldest active employees in years of service, he joined it in 1904, and founded the printing department.

A. H. McCHORD, 62, local agent of Pikeville, Ky., died of a heart attack.

EGBERT H. HARRISON, founder and president of Pilot agency in Salisbury, N. C., died in Rowan Memorial hospital there.

MARCELLUS S. SEMONIN, 46, a partner in the Paul S. Semonin agency at Louisville, died at Kentucky Bap-

tist hospital. His father founded the business, and his brother, Paul Jr., is active in the agency. Marcellus Semonin had not been active in the business for several years owing to a heart condition.

W. TALBOT SINCLAIR, 68, died of a heart attack in Portland, Ore. Mr. Sinclair retired from U.S.F.&G. in 1953 after 40 years with the company, most recently as manager of the Portland office.

FRIEDOLPH LEONARD NELSON, 55, local agent of South Bend, Ind., died in Washington, D. C., of a heart attack.

JESSE W. YARBROUGH, 87, local agent, died in Memorial hospital in Danville, Va. He operated a local agency there for more than 50 years.

KENNETH E. DIKE, 60, director of advertising of Aetna Fire group from 1927 to 1950, died at his home in Windsor, Conn.

K. C. Insurance Society to Hear O'Connor

KANSAS CITY—J. C. O'Connor, executive editor of the *Fire, Casualty & Surety Bulletins*, will discuss current insurance trends and problems at the evening meeting of Insurance Society of Kansas City here Feb. 12. An open discussion will follow his talk. J. V. Riley, North Kansas City agent, is president of the society.

O'Connell To Uphold Private W.C. in Cincinnati Debate

Arthur M. O'Connell, past president Cincinnati Underwriters Assn. and past National Assn. of Insurance Agents executive committeeman, will debate private vs monopolistic state workmen's compensation insurance before the Cincinnati Kiwanis Club Mar. 11. His opponent will be Augustus Beall, Cincinnati attorney and prominent spokesman for the Ohio monopoly setup.

Stewart, Smith & Co.

Name Remains Unchanged

In last week's issue the name of Stewart, Smith & Co. was carried in a picture caption as Stewart & Co. The name of the firm has not changed. It remains Stewart, Smith & Co., and a copy in color suitable for framing, of the H. M. Bateman cartoon showing a livestock underwriter inspecting a claim may be had by writing the corporation at 116 John street, New York 38.

Butch Fla. Special

William L. Butch has been appointed special agent for Florida by American Equity group. He has been with the company six years and formerly was in the fire underwriting and agency departments.

New Hand Book for Missouri Is Published

A new Underwriters' Hand-Book of Missouri has just been published by The National Underwriter Company. It provides complete and up-to-date information on the agencies, brokers, companies, field men, general agents, groups and other organizations affiliated with insurance throughout Missouri. Copies of the new Missouri Hand-Book may be obtained from the National Underwriter Company, at 420 East Fourth street, Cincinnati 2, Ohio. Price \$12.50 each.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, Jan. 29, 1957

Aetna Casualty	121	125
Aetna Fire	70 1/2	72
Aetna Life	174	177
Agricultural	30	31
American Equitable	34 1/2	36
American (N. J.)	26 1/2	27 1/2
American Motorists	10 1/2	11 1/2
American Surety	18 1/2	19 1/2
Boston	33 1/2	35
Camden Fire	27 1/2	28
Continental Casualty	84 1/2	86
Crum & Forster com.	59	61
Federal	34	35
Fire Association	44	45 1/2
Firemen's Fund	53 1/2	54 1/2
Firemen's (N. J.)	36 1/2	37
General Reinsurance	46 1/2	47 1/2
Glens Falls	34	35
Glens & Republic	18 1/2	19 1/2
Great American Fire	35	36
Hartford Fire	138	140
Hanover Fire	39 1/2	41
Home (N. Y.)	44 1/2	45 1/2
Ins. Co. of No. America	92 1/2	94
Maryland Casualty	35	36
Mass. Bonding	31 1/2	32 1/2
National Casualty	63	Bid
National Fire	83	88
National Union	39 1/2	41
New Amsterdam Cas.	45	46
New Hampshire	38	40
North River	34 1/2	35 1/2
Ohio Casualty	23 1/2	25
Phoenix Conn.	77	78 1/2
Prov. Wash.	21 1/2	22 1/2
St. Paul F. & M.	46 1/2	47 1/2
Security, Conn.	34 1/2	35 1/2
Springfield F. & M.	47	48
Standard Accident	52	53 1/2
Travelers	71 1/2	72 1/2
U. S. F. & G.	65 1/2	66 1/2
U. S. Fire	25	26

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Mutual Companies Plan Fire Parley at Chicago

Conference of Mutual Casualty Companies will hold a meeting on fire insurance at Chicago Feb. 7-8. Ray Swazek of Market Men's Mutual is program chairman, and the presiding officer will be O. C. Griffith of Shelby Mutual, president of the fire conference.

The speakers include Donald F. Raihle of American Hardware Mutual, on "Some Problems Confronting the Industry"; Frank Fowler, Federated Mutual Implement & Hardware, on "Fire Underwriting Procedures"; James P. Maltman, American Mutual Reinsurance, on "Fire Reinsurance"; Robert R. Nelson, Rural Mutual Casualty of Madison, on "Continuous Form Fire Policies—Problems and Possibilities"; George W. Hare, State Auto Mutual of Columbus, on "Fire Insurance Dwelling Rates Graduated by Size of Risk," and Donald T. Hawkins, Mutual Loss Research Bureau, on the activities of his organization.

There will be a panel discussion on fire organization in which the participants will be F. N. Du Bois, Employers Mutual Casualty of Des Moines; William O. Cole, Auto-Owners (speaking for a separate department), and Lawrence Benson, Mutual Service Casualty, and John S. Munsell, Beacon Mutual Indemnity (speaking for an integrated department).

Allied Adjusters Has New Conn. Branch

Allied Adjusters has acquired the C. J. Lewis adjustment service in Norwich, Conn., as a branch office for eastern Connecticut and adjacent areas of Rhode Island. Mr. Lewis is manager. Until he resigned to operate his own service a year ago, Mr. Lewis was with General Adjustment Bureau 17 years.

Allied has also appointed John L. Osborne Jr. resident adjuster at Weston, Conn. He was formerly manager of GAB in Stamford, Conn., and ended a 10 year association when he resigned to engage in independent adjusting last year.

Investment Fund Files

Insurance Investors Fund of San Francisco has filed a statement with Securities & Exchange Commission seeking registration of 50,000 shares of \$1 par common stock.

SEC said the company was organized under Delaware law Aug. 6, 1956, and that the investment adviser and principal underwriter of the fund is First Sierra Corp. of Cal.

METHODS ANALYST—Systems and procedures. To age 35. College grad or equivalent in experience. Two to three years systems experience in insurance, office management or accounting. \$7,200

LIABILITY UNDERWRITER—Chicago. Thorough knowledge retro plan (D). All liability lines experience in home office or large agency with know-how of nationwide lines will qualify. \$8,000

Call or Write
ED BOYDEN
CADILLAC EMPLOYMENT AGENCY
220 South State St. Chicago, Ill.
WAbash 2-4800

NEWS OF FIELD MEN

Three Kansas Field Groups Meet in Topeka

Kansas Fire Underwriters Assn. saw Carl O. Smith, Southwest Bell Telephone Co., demonstrate a solar battery and heard an address by Walter Wolf of Western Underwriters Assn. at its semi-annual meeting last week at Topeka.

Kansas Fire Prevention Assn., meeting at the same time, completed plans for additional town inspections.

Kansas Blue Goose initiated 12 candidates, under the leadership of MLG Kenneth J. Stoike, National of Hartford group. The annual meeting of the pond will be held in Wichita May 16.

Kansas Field Men Fete

McIntosh on Retirement

H. O. McIntosh, Kansas state agent of Hanover, was honored by some 75 fire insurance men at a retirement party in Topeka last week.

For 35 years Mr. McIntosh has been active in insurance organizations in Kansas. He started his career as a local agent at Eldorado, but was attracted to field work. He has had but one job, that with Hanover. He is a past president of Kansas Fire Underwriters Assn., and a charter member and PMLG of Kansas Blue Goose. He was a vice-president at one time of the old Fire Underwriters Assn. of the Northwest.

Mr. McIntosh will continue his insurance connections, having joined the R. R. Osborne agency of Olathe. His successor in the Kansas field will be Lloyd A. Cole, who has been assisting Mr. McIntosh since 1954. Mr. Cole will continue his headquarters at Topeka.

Syracuse Field Club Elects Kelly President

Field Club of Syracuse, N. Y., at its annual meeting elected Robert H. Kelly of Springfield F. & M. president, Wallace F. Lepper of Hartford Fire vice-president, William H. Bosmann of Great American secretary and Willard F. Tolles of Crum & Forster treasurer. Members of the executive committee are Robert B. Clune of Springfield, David W. Shupe of Home, George F. Oldreive of Fireman's Fund, P. W. Haley of Agricultural and A. R. Kenyon of America Fore.

St. Paul F. & M. Names

Johnson, Paden in South

St. Paul F. & M. has transferred Special Agent Wayne C. Johnson from Alabama to Louisiana and has appointed William A. Paden special agent in Alabama.

Mr. Johnson will have headquarters in New Orleans and will be under the supervision of State Agent Carl M. Schumacher.

Mr. Paden will have headquarters in Birmingham and will be under the supervision of State Agent Gordon M. Earhuff.

Wilson Joins Buffalo

Buffalo has appointed Richard A. Wilson Jr. special agent to be associated with John F. Dwyer, manager of the New England department and Edward A. Rein, special agent.

Mr. Wilson was with Providence Washington 1949-1955 and for the past year with Massachusetts Bonding as special agent in Rhode Island and southeastern Massachusetts.

Western Group Field Men Meet

Western group of Fort Scott held a three-day production conference for field men and branch managers in

Illinois, Indiana, Iowa, Kansas, Missouri, Ohio, Oklahoma and Wisconsin this month at the home office. All of the underwriting departments appeared on the program to outline objectives for 1957.

W. Va. Field Club Elects

Jacobson President

West Virginia Field club at its annual meeting in Huntington elected John L. Jacobson of Springfield F. & M. president, Don E. Wilson of Aetna Casualty vice-president, and E. Carroll Douglass of Saint Paul group secretary-treasurer. Charles H. Pike of Alfred Paull & Son general agency, was elected chairman, Parker H. Brady of Home, secretary, and Joseph P. Warek of Hanover and Paul E. Briggs of the Fred C. Campbell & Sons general agency, members of the executive committee.

Fireman's Fund Names

Roberts in Texas Field

Fireman's Fund group has appointed Curtis B. Roberts special agent in south Texas, with headquarters in San Antonio.

Mr. Roberts has had local agency experience and was for a time with the Texas department. He graduated with honors from the group's training school, and has recently been underwriter and special agent in the group's Houston office.

Ohio Farmers Makes Three Changes in East

Ohio Farmers has named Turner Sturm state agent in West Virginia. He will be assisted by David Bartchy, who has been an underwriter in the home office.

Robert Waters, who has been associated with Mr. Sturm in West Virginia for several years, has been transferred to the eastern department to manage the Washington, D. C., office.

Oregon Fire Underwriters Elect Tucker President

Oregon Fire Underwriters Assn. has elected Richard A. Tucker, Crum & Forster, president; Warren E. Johnson, Home, vice-president; Fulton Olsen, U.S.F. & G., secretary, and Ivar L. Anderson, Landis, Pelletier & Parrish, treasurer. G. C. Ratcliff, London Assurance, George Rolander, National Union, and Robert Deardorf, Phoenix, were elected to the executive committee.

Offenheiser to Carolinas for Merchants of New York

Merchants group of New York has transferred Raymond C. Offenheiser from the home office southern department to Charlotte, N. C., as resident field representative for North and South Carolina, associated with executive special agent A. O. Ohlhaver. Mr. Offenheiser joined Merchants in 1948.

Wolfe's Duties Enlarged

With the appointment of Neville Wight, special agent in south New Jersey, as manager of Philadelphia service office of Great American, Harry C. Wolfe, who has been associated with Mr. Wight, assumes supervision of south Jersey territory. He will continue to have headquarters at 926 Public Ledger building, Philadelphia.

Solsvig Joins Milwaukee Agency

Curtis G. Solsvig, state agent for St. Paul F. & M. in Wisconsin since 1954, has joined Robert R. Elsner Co. agency

of Milwaukee as vice-president in charge of sales. He joined St. Paul F. & M. in 1948, and was in the Indiana field before moving to Milwaukee.

Illinois Field Groups to Meet at St. Louis Feb. 12-13

Illinois Fire Underwriters Assn. and Illinois Fire Prevention Assn. will hold their mid-year meetings Feb. 13 at the Lennox hotel, St. Louis. The evening before, Illinois Blue Goose and St. Louis Blue Goose will have a dinner-dance with the guest of honor being Jules E. Simoneaux, MLGG.

The Fire Prevention Assn. will meet the morning of Feb. 13 for business and a luncheon. Speaker at the luncheon will be Joe Gargioli, former baseball player and now public relations representative for Anheuser-Busch Co. In the afternoon the IFUA will have its semi-annual business meeting.

Great American Appoints Bjerke to Wash. Field

Great American group has appointed J. I. Bjerke field supervisor at Spokane, Wash., to succeed John Herd who has resigned.

Mr. Bjerke has had both company field and local agency experience. He will handle all lines in eastern Washington and northern Idaho.

Fireman's Fund Group Names Pope Special Agent

Fireman's Fund group has appointed John E. Pope Jr. special agent in southeast Virginia, with offices in Norfolk. He has had local and general agency experience, and for the last five years has been with another company.

Camden Appoints Brown State Agent in Kentucky

Camden Fire has appointed H. Pell Brown state agent in Kentucky.

Mr. Brown, who has been state agent in Kentucky for American for the past 12 years, will be associated with Jack E. Redmon, state agent for Camden since 1942.

Appoint H. R. Bechtel Special Agent in S. F.

National of Hartford group has appointed H. R. Bechtel special agent in San Francisco county.

Mr. Bechtel joined the group in 1948 and has received special training in multiple line operations.

Camden Fire Names

Laxton in Me. and N. H.

S. Arthur Laxton has been appointed Camden Fire special agent in Maine and New Hampshire, with offices at 22 Monument Square, Portland.

Anthracite Club Elects

Raymond R. McOrmond Jr. of Phoenix of Hartford group was elected president of Anthracite Fire Underwriters Club at the annual dinner meeting held in Wilkes-Barre, Pa. Other officers are George Olson of Aetna Fire group, vice-president; Clayton Evans of Thompson-Derr Brothers Co., treasurer, and Walter Master of Middle Department Assn. of Fire Underwriters, secretary.

Buffalo Club Elects

Buffalo Field Club has elected Wilbur S. Callahan of Home president to succeed Henry O'Loughlin of Phoenix of Hartford.

Other officers are Nelson C. Taintor Jr. of Aetna Fire group, vice-president; F. Hemler Vervoort of Crum & Forster, secretary, and Raymond J. Nice of Fireman's Fund, treasurer.

A & S

N. Y. Advisers on A&S Exams Elect Officers and Update Syllabus

New York state advisory board of A&S examinations has elected John F. Lydon of Ocean Accident chairman for the year, John F. Greeno of Buffalo vice-chairman, and Elizabeth Slawsky of New York department secretary. Mr. Lydon and Mr. Greeno have been on the board since its formation in 1947.

The board has revised the syllabus for A&S agents' examinations to take cognizance of many recent developments in the field. The new syllabus includes major medical, guaranteed renewable, deductibles and coinsurance.

Other board members are Harold J. Shackleton, Connecticut General, Utica, Sidney L. Eisenberg, Troy, Arthur B. McGuire, local agent, Syracuse, A. Stewart Payne, Security Mutual Life, Binghamton, Morton Sellner, New York City; Francis T. Curran of Metropolitan Casualty of New York, Joseph F. Follmann Jr. and John P. Hanna of Health Insurance Assn. of America, Earl R. Trangmar of Metropolitan Life, and J. Francis Welch of United States Life.

Directors of A&S Agents Assn. to Meet at Chicago

Directors of International Assn. of A&H Underwriters will meet Feb. 2-3 at Chicago to discuss plans for the annual convention at St. Paul, June 12-15. A report from the chief convention planners will be made by Sig Bjornson, State Auto, who coordinates the activity for the International.

Convention headquarters will be the Lowery hotel, with additional space available in the St. Paul hotel.

Other business before the board will be planning of the Harold R. Gordon memorial "Man of the Year" award. A general announcement of the rules for nominating will be made in the next few weeks. The award is presented at the June convention.

On Feb. 1, the Disability Insurance Training Council, which is under the directorship of John G. Galloway, Provident Life & Accident, Birmingham, will hold its meeting at Chicago. The council is the educational arm of IAUAH and offers a 13-week course in A&S selling.

Combined Promotes Ritt

Michael J. Ritt has been promoted to the sales executive staff of Combined group of Chicago in charge of the audio-visual program. He has for five years been film producer, and advisor to the tape recording department and office manager of Napoleon Hill Institute. In addition to directing the expanded film and visual aid activities of Combined, Mr. Ritt will have executive duties in planning and incentive programs and promotional literature.

John L. Sullivan has been named manager of California Physicians Service, Riverside-San Bernardino district, to succeed James T. Hackett.

J. W. Johnson Takes Agency Post

John William Johnson, formerly Kentucky state agent for National Union, has become vice-president and general manager of the Fred G. Buckley agency, Louisville.

John S. Munsell has been named underwriting manager for fire and general liability of Beacon Mutual Indemnity of Columbus.

Cincinnati Agents Elect A. M. Peck Jr. President

At its annual meeting, Cincinnati Underwriters Assn. elected Arthur M.



George Guckenberger



A. M. Peck Jr.

Peck Jr. president to succeed Louis A. Hellming. George Guckenberger III was reelected vice-president and Joseph F. Schweer was reelected executive secretary-treasurer.

Mr. Peck, John H. Gall, Edward A. Russell and William H. Wagner were elected to the governing committee of the association.

Upon retiring as president, Mr. Hellming reported the largest membership in the association's history, 142 underwriting offices and 1,317 individual members.

North Heads AFIA

John A. North, president of Phoenix of Hartford, has been elected chairman of the trustees of American Foreign Insurance Association, succeeding Frank A. Christensen, chairman of America Fore. Kenneth E. Black, president of Home, and James F. Crafts, president of Fireman's Fund, were elected vice-chairmen.

Moreland Report Suggests Broad WC Changes in N. Y.

(CONTINUED FROM PAGE 3)

methods of consolidating safety work.

The report recommends preservation of the right of free choice of physicians by the injured worker, but at the same time urges tightening of supervision of treatment by the new specialist board. Recommendations are included for increased disciplinary action with respect to excessive medical charges and over-treatment by a system of referring positive findings on such complaints to grievance committees of the medical societies.

With respect to rate making, the commission determined that insurers should continue to make the rates, subject to review by the department. It keyed its recommendations to securing rates which would not jeopardize the stability of insurers, but which might at the same time eliminate those elements that give rise to excessive premiums.

In this respect, the report recommends use of a three-year instead of a five-year development factor, which has already been put into effect; revision in the profit allowance presently made in rates; relating the expense allowance more closely to actual expenses of insurers; exclusion of the loss experience of the state fund in determining rates; and sharpening the supervisory powers of the superintendent of insurance.

NOSKER EMPLOYMENT AGENCY
Insurance Specialists 33 years
Operating in California exclusively
FRANK D. NOSKER
GENERAL MANAGER
610 So. Broadway Los Angeles 14

Michigan Information Service Reelects Carey

Michigan Insurance Information Service has reelected L. J. Carey, Michigan Mutual Liability, chairman; W. C. Searl, Auto-Owners of Lansing, executive vice-president, and E. G. Rockwell, Detroit Automobile Inter-Insurance Exchange, treasurer.

Under a recent change in by-laws, three new directors were appointed. They are Nile L. Vermillion, Farm Bureau Mutual of Lansing; C. G. McGuffin, Michigan Mutual Auto, and E. B. Laing Jr., Wolverine Mutual. John Carton, Wolverine, was named to the executive committee.

Pan American Increase in Capital Is Approved

The Texas department has approved an increase in capital of Pan American of Houston from \$500,000 to \$600,000. The company has assets in excess of \$2½ million with policyholders surplus of more than \$1 million.

UNUSUAL OPPORTUNITY CASUALTY FIELDMAN

Experienced Casualty Fieldman needed—Expanding Multiple Line Company has unusually attractive opportunity in Ohio Field. Salary open depending upon age, experience and work record. Please include resume of education and experience. Our employees know of this ad. Address Box S-42, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED - CASUALTY and FIRE FIELD MAN

for large multiple line Mutual company. Western Michigan territory. Good starting salary. Retirement income plan. Group hospitalization and life insurance. Company car, expense account. Age 25 to 45. All replies confidential. Please give full details as to age, experience and salary requirements. Address Box S-50, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

CLAIMS INVESTIGATOR

Want to contact young college graduate with some legal training or experience to investigate Bodily Injury, Property Damage, and Cargo losses. Must be alert with initiative and appreciate opportunities for rapid advancement to executive position. Salary dependent upon individual ability. Location—Cincinnati, Ohio, or East (New York or New Jersey). Address Box S-58, c/o The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ATTORNEY — EXECUTIVE

Thirty-four year old attorney is desirous of new opportunity in corporate legal and/or executive field. Now general counsel to sales company doing business in most states and Canada selling an intangible closely regulated by statute. Corporate and contract work a specialty. Salary open, will move. Write Box S-52, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Young man interested in insurance trade association work. Excellent opportunity. Write W. W. Krom, Manager, Chicago Board of Underwriters, 175 W. Jackson Blvd., Chicago 4, Ill.

LLOYDS REINSURANCE UNDWR. and PRODUCER AVAILABLE

10 years experience. Heavy knowledge of Lloyds Field and Reinsurance. Willing to relocate, but prefer Eastern location. Address Box S-56, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ASSISTANT CHIEF ACCOUNTANT

Excellent opportunity with multiple line stock company. Experience is necessary. Position is in Chicago metropolitan area. Replies will be held confidential. Address S-61, The National Underwriter, 175 West Jackson Blvd., Chicago 4, Ill.

WANT ADS

Rates—\$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

CASUALTY MAN

Wanted by NATIONALLY OPERATED INSURANCE FORM AND POLICY PRINTING CONCERN for New York City office, man under 40 with good educational background in GENERAL LIABILITY, AUTOMOBILE LIABILITY or BURGLARY INSURANCE.

Experience in review and selection of texts of forms and policies highly desirable. Printing experience or copy arrangement desirable, but not essential.

Salary commensurate with background and experience.

Write, giving full details of age, education, experience, and salary record. Responses will be treated in full confidence. Address Box S-51, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

TRAINEES

Casualty Field Men

Ohio

A rapidly expanding Ohio-owned Casualty company has openings in Toledo and Akron for young, aggressive men to train as special agents to service and develop independent agents. Must have an adequate knowledge of casualty insurance and proven sales or production abilities. We offer above average starting salary and advancement possibilities. Give age, education and experience. Reply and interview will be treated strictly confidential. Our employees know of this ad. Write to Box S-35, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

MULTIPLE LINE SPECIAL AGENT

FOR WESTERN NEW YORK

Excellent opportunity for an experienced Multiple Line fieldman, heavier on Fire. Headquarters Syracuse or Rochester. Salary open plus pension plan and other employee benefits. Submit resume with complete background. Agency stock company with established Fire plant. Group about to enter New York State for all Casualty lines. Replies treated in strictest confidence with no inquiries without permission. Write Box S-55, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

Home Office CLAIMS ATTORNEY

Rapidly expanding domestic casualty insurance company has opening for claims attorney. Future assured, location Springfield, Illinois. State age, experience, qualifications and salary desired in first letter. All replies will be held confidential.

LINCOLN CASUALTY COMPANY
500 E. Capitol St. Springfield, Ill.

FLORIDA OPPORTUNITIES

EXPANSION calls for
TWO SPECIAL AGENTS, preferably with Multiple Line experience, in SOUTHEAST. State age and general qualifications in first letter. GEO. C. HAYS, MANAGER FLORIDA SERVICE OFFICE, AMERICAN INDEMNITY COMPANY, Broderick Building, LAKELAND, FLORIDA.

INSURANCE CLAIMS MANAGER

Chicago headquarters of Domestic Air line.

Desire attorney admitted to Bar who has practiced for a few years and who currently is employed as manager or assistant manager in a casualty company claims office to manage insurance claims department.

Splendid opportunity for creative work with experienced staff. Salary open. Address Box S-64, c/o The National Underwriter Co., 175 West Jackson Blvd., Chicago, Illinois.

WANTED

Large Multiple Line Insurance Company in Baltimore requires Assistant Manager for Fire Department. Home Office and field experience essential, age about 40, salary commensurate with ability and experience. Address Box S-37, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

AVAILABLE

Surety Supervisor and Underwriter desires relocation in Central or Midwest Area. 12 years Branch and Home Office experience particularly in Contract Bonds and Reinsurance. Statistics reflect excellent loss ratios. Reply Box S-48, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

PARTNERSHIP WANTED

Experienced insurance man (no life) interested in purchasing partnership, local agency. Prefer under age 40. Established 1927 Midwest community, pop. 100,000. Annual Premium \$200,000. All stock companies. Continued growth creates immediate opening. Give complete data, first letter. All information confidential. Address Box S-49, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED CASUALTY AND FIRE FIELD MAN

for growing agency. Good starting salary—Profit sharing plan, Group insurance—Paid vacations. Send qualifications to:

NORTHERN INSURANCE AGENCY, INC.,
112 East Loccus Street, DeKalb, Illinois,
Attention of Miss Quina.

CHIEF ACCOUNTANT

wanted for multiple line stock company. This is excellent opportunity with the usual benefits. Located in midwest area. All replies confidential. Address replies to box S-60, National Underwriter, 175 West Jackson Blvd., Chicago 4, Ill.

SALES TRAINING ASSISTANT

A leading insurance company in suburban Chicago needs a man 27 to 35 to assist in developing sales training aids and visuals. No classroom activities. Opportunity for progress.

General insurance experience—sales or underwriting helpful. Some technical knowledge valuable but not essential. Actual experience or aptitude for writing with a sales slant important.

In reply please list experience, education, age and desired starting salary. Address Box S-53, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Superintendent Leggett Installs New Officers of St. Louis Board

At a meeting last week, Superintendent Leggett of Missouri installed the newly elected officers of Insurance Board of St. Louis. The new officers are: J. Boyd Hill, chairman; William R. Dunham, president; John Brodhead Jr., vice-president; Charles W. DeWitt, secretary; Harry Bishop, treasurer, and B. G. Gregory, executive secretary. Robert V. Heffernan, Fred R. Donley and William F. Griffin were installed on the executive committee.

Principal speaker was Joseph F. Holland, formerly chief deputy of the Missouri department. Charles R. Flachmann was master of ceremonies.

Plan 3rd Southern Insurance Institute

The third annual Southern Insurance Institute will be held in July. A planning committee is meeting in Memphis to organize the program and set the exact date. Because of the great interest shown by company men during the past two years, company representatives have been invited to join with representatives of state agents associations in planning the five-day series of education programs.

The institute is sponsored by the member associations of Southern Agents Conference and Insurers of Tennessee, at University of Mississippi.

Compulsory Auto, Non-Can A&S Bills Filed in Ind.

A compulsory automobile insurance bill has been introduced in the Indiana house designed along the lines of the New York law.

Another bill would make accident and sickness policies non-cancellable as long as premiums are paid and there is no fraud in the application. The penalty against insurers for non-compliance would be revocation of the license.

National Union Transfers Okla. Supervision to Dallas

National Union has transferred supervision of its Oklahoma operations to Dallas. Up to now, Oklahoma agents have reported direct to the home office.

David Mitchell, state agent in Oklahoma, will continue in that post, with offices in Oklahoma City.

Royal Puts Herman in Charge of Yachts

Royal-Globe has appointed Henry A. Herman Jr. superintendent of yachts. With the group since 1952, he has been in the marine field since 1935.

Award Five Contracts in Cal.

California department of public works has awarded these contracts:

Gibson & Reed, Salt Lake City, for construction of 6.9 miles of four-lane divided highway in Shasta county at a price of \$4,605,486. Continental Casualty is surety.

Frederickson & Watson Construction Co. and Ransome Co., Oakland, for construction of 5.8 miles of four lane highway, four bridges, and alteration of one bridge in Placer county at a price of \$3,685,555.55. Pacific Indemnity is surety.

Stolte Inc., Oakland, for construction of 4.9 miles of highway in Tehama county at a price of \$1,129,955.60. Fidelity & Deposit is surety.

O. K. Mittry Sons, Gardena, for construction of 5.2 miles of highway in Plumas county at a price of approx-

imately \$1 million. Hartford Accident is surety.

U. S. navy public works department has awarded a contract to Clyde W. Wood & Sons Inc., North Hollywood, for rehabilitation of harbor facilities and construction of submerged fuel transfer lines at Point Mugu harbor at a price of about \$1 million. Fidelity & Casualty is surety.

Ky. Appeals Court Says Charitable Institutions Liable for Damages

LOUISVILLE—Kentucky court of appeals has ruled that charitable institutions may be held liable for damages. The case involved Catholic diocese of Louisville which owned a combination store building and apartment that burned in 1954 resulting in the death of five persons. Suit was brought for \$256,012, charging that the owners had failed to comply with the law in providing adequate fire escapes. The appeals court sent the case back to Jefferson county circuit court.

Charitable institutions in Kentucky are not liable for taxes, but the court said they are responsible for keeping their property maintained.

III. Mutual Agents Name Crosson Executive Secretary

Robert H. Crosson has been named executive secretary of Illinois Assn. of Mutual Insurance Agents.

Mr. Crosson has headquarters at 2606 South 6th street, Springfield. He has been in insurance in claim and sales capacities since 1949, and also for a time was with the Illinois insurance department as assistant supervisor of the fire branch.

He is secretary-treasurer of two Springfield farm mutuals and serves also as regional chairman of Illinois Assn. of Mutual Insurance Companies.

His duties with the agents' association will include editing the monthly publication, *Smoke Signals*.

Scherzer Named in Illinois

C. T. Scherzer has been appointed special agent in northern Illinois for Fireman's Fund group, handling casualty, bond, burglary and A&S business. His headquarters will be in the Cook county branch office in Chicago.

Midland, Mich. Agents Elect

Robert T. Ferries has been reelected president of Midland (Mich.) Assn. of Insurance Agents. Other officers are: Vice-president, Martin Maxwell; secretary-treasurer, Mrs. Harriet Jackson, and publicity chairman, Bernard F. Bailey.

The association is sponsoring a Safe-Teen club in the Midland and Coleman high schools, and a progress report indicated the activity has been successful.

Johnson & Higgins has elected John O. Cole, Frank A. Conerton, Dixon W. Kelley, John R. Kranz and Charles W. Lincoln vice-presidents. Mr. Conerton is an account executive in employee benefit plans, Messrs. Cole, Krantz and Lincoln are casualty account executives, and Mr. Kelley is a vice-president of J&H of Illinois. Mr. Kelley will join the casualty department at New York Feb. 1.

AIR-CONDITIONED SPACE AVAILABLE IN N. Y.

Two air-conditioned private offices, each 9'6" x 13'4", are available for sublet in the New York office of The National Underwriter at 99 John street. They can easily be converted into one larger office. Located on 24th floor, overlooking Hudson river. Phone BEEKMAN 3-3958.

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

so that the facilities of the school can be extended to all who qualify for admission.

The fellowship plan, intended to cover the applicant's basic living expenses while attending the school, has a value of \$450. The school pays that amount to all successful candidates. In addition each student is to be paid for travel expense, round trip by either air or rail, between his home and New York.

The school offers an intensive six weeks course dealing with all phases of property and casualty insurance. Teaching techniques will add to the effect of the curriculum, in way of lectures, classroom discussions, forums directed by managers of various boards, bureaus and associations, along with field trips, question and answer sessions, and interviews with America Fore executives, departmental heads and technical specialists.

A school applicant must be 21 or over, with a high school diploma or its equivalent, and agree to remain in New York for the duration of school, six consecutive calendar weeks. Applications are available through any America Fore office or field man. The applicant will be required to certify that he intends to follow insurance selling as a career. Consideration will be given to the geographical location in which applicants intend to do business as well as to the applicants' potentials for success.

All class sessions will be held at the head office of America Fore, in Manhattan's downtown financial district. Students may arrange their own living accommodations, or, at their request, the school will aid them in finding quarters convenient to the head office.

Messrs. Christensen and Herd commented that better informed agents will benefit not only America Fore but the agency system and the insurance buying public as well. Consequently the group is confident and happy to embark upon this long range program of investment in the future of the business.

New Bill to End Ohio WC Monopoly

COLUMBUS—A bill introduced in the Ohio legislature Wednesday would end the state's 35-year-old monopoly on workmen's compensation insurance. Sponsored by Reps. Robert Taft Jr., (R) Cincinnati, and Edward Wallace, (D) Circleville, the bill would grant approximately 200,000 employers in Ohio the privilege of placing their WC insurance with private insurers.

The bill has the strong support of Ohio Assn. of Insurance Agents. The association has tried in several sessions to have the monopoly law repealed.

Mr. Taft said Ohio "is the only large industrial state which prohibits by law the proven benefits of private insurance company services for employees and employers alike. Ohio's poor safety record in industry as compared with states with private companies, alone demonstrates the need." In 41 states now permitting "free choice of insurance," he added, insurers' safety and accident prevention programs "are reducing the number of costly delays, increasing productivity and lessening accidents that produce human misery."

Mr. Wallace declared the proposed law would bring about a "competitive rate and service situation which would be certain to improve the state bureau's efficiency." He also said certain present classifications, "such as classifying hospital employees with policemen and firemen, with resultant increased hospital costs, is a ridiculous situation which does not prevail in the 41 states where insurance competition is permitted."

Both sponsors pointed out that "prompt payment was the rule in other states, without the need of special and prolonged assistance now the custom in Ohio." Mr. Taft said the proposed law would also provide for an assigned risk pool similar to the automobile assigned risk pool "to prevent the state fund from becoming the insurer of the less desirable risks and to spread these risks equitably." National businesses and the opening of the St. Lawrence Seaway, the sponsors said, "create gaps in interstate, admiralty and longshoremen's coverage under the Ohio monopoly." This condition, they said, could be corrected only by private insurers.

Asks Separate Insurance Department in Ohio

COLUMBUS—In his message to the Ohio legislature Monday, Gov. C. William O'Neill recommended that the state division of insurance be separated from the department of commerce and made a department of the state government in its own right with full cabinet rank.

The governor said:

"One of the fastest growing segments of our Ohio economy is insurance. Almost 100,000 enterprising Ohioans comprise the working force of this great business. Except for food and housing, insurance affects intimately the daily lives and fortunes of our people more directly than any other single business. It is the trustee for billions of dollars of the savings and earnings of our people . . . The insurance business is also one of our largest taxpayers. In 1956, there will be paid into the state treasury by the insurance companies doing business in Ohio in direct taxes alone over 25 million dollars."

"Adequate and proper regulation of this rapidly expanding business is essential to the welfare of our people . . . Since 1947, with the advent of rating laws and multiple line powers for fire and casualty companies, its regulation has become a job demanding expert administration. The growing threat of federal control of insurance under the commerce clause demands that Ohio and the other states accept and adequately perform their regulatory responsibilities."

Cunningham Joins Talbott, Bird

J. M. Cunningham, since 1942 with Los Angeles inland marine department of Aetna Fire, has been appointed manager of the Los Angeles branch of Talbot Bird & Co., marine managers, succeeding C. M. Pratt.

Raymond C. Santry has joined Investment agency of Los Angeles as production manager.

Insurance Women of Los Angeles heard Albert H. Wood, manager and public relations director of Western Insurance Information Service, speak on "Public Relations in the Insurance Business" at the January meeting.



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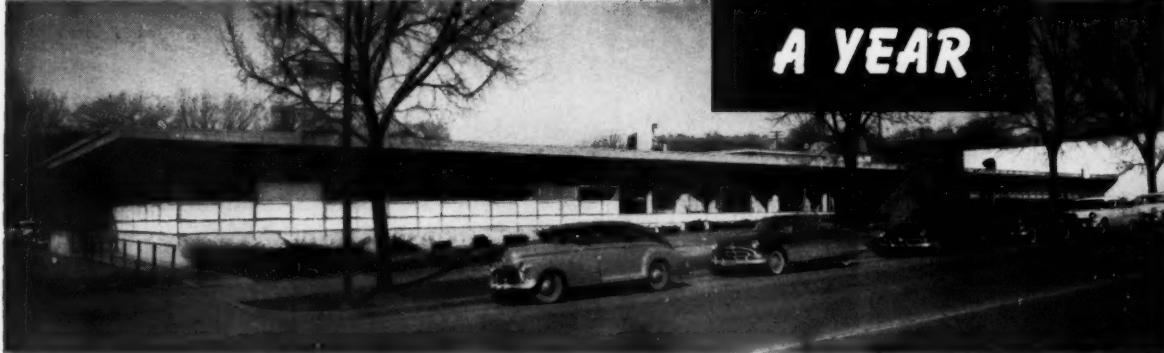
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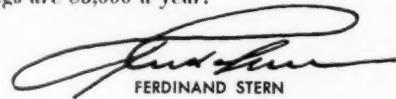
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